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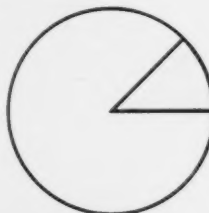
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ABSTRACT

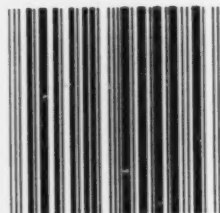
A study examined training in the retail trade in Portugal. Employment, work, and training patterns in Portugal's retail sector were researched, and case studies of two firms in the supermarket/hypermarket group, one firm in the stationary/cigarette shop sector, and one clothing manufacturer/retailer were conducted. Teams of researchers interviewed various managers (general, store, personnel, training department) and employees (primarily sales assistants and cashiers). The studies confirmed that retailer interest in vocational training is fairly recent and that training programs in the retail sector are still in their infancy. Three stores had training departments that were solely or partly responsible for training program development/implementation. No company included employees in the training design/organization process. Most training was directed at sales/supermarket assistants and store managers/supervisors. Training courses were generally structured in modules to permit progressive, continuing training. With one exception, the training programs were the result of state and community incentives in the form of substantial financial assistance. Training was also indirectly financed through social welfare contributions paid by employers and employees. (Eighty-four tables/figures and 21 references are included. Appended are lists of the persons/organizations contacted during the case studies.) (MN)

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PORTUGAL REPORT

RETAIL SECTOR



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RETAIL SECTOR

**TRAINING IN THE RETAIL TRADE
IN PORTUGAL**

REPORT FOR THE FORCE PROGRAMME

drawn up by
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Commission of the European Communities
TASK FORCE
Human Resources, Education, Training and Youth
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The Central team was composed of Olivier Bertrand (Cereq, Paris), Oriol Homs (CIREM, Barcelona), Wilfried Kruse (S.F.S. Dortmund), Marisa Mendez-Vigo (CIREM, Barcelona) and Harry van den Tillaart (ITS, Nijmegen), in close collaboration with Tina Bertzeletou from CEDEFOP, Berlin.

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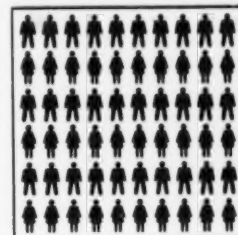
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PART 1:

DESCRIPTION OF THE RETAIL SECTOR AND ITS DEVELOPMENT



- 1. Introduction**
- 2. Structure and characteristics of the retail trade**
- 3. Social and institutional context**
- 4. Employment and working conditions**
- 5. Changing conditions and their implications for qualifications and vocational training**
- 6. Training and recruitment**
- 7. Introduction to case studies**

1.1 Scope and definition of the retail sector

This study is the Portuguese contribution to the analysis and comparison of recent trends in the retail sector in EC countries and its consequences for vocational training.

The retail trade is defined in Subdivision 62 of the CAE (the Portuguese Classification of Economic Activities), which includes the retail trade in motor vehicles, motorcycles and bicycles (group 6206) and fuel (group 6207). If the latter two activities are excluded, the composition of the Portuguese retail sector is practically identical with the definition taken for the purposes of this study, namely groups 52.1 to 52.6 of the European Industries Classification (NACE). Our analysis, therefore, disregards the first two groups mentioned (6206 and 6207), except in cases where satisfactory separate statistics are unavailable; these are clearly indicated.

1.2 Methodology

The procedure followed conforms to the methodology proposed, viz.

- A general description of the sector having regard to economic, employment and training aspects;
- A short analysis of 10 firms involved in innovative vocational training projects selected by the social partners⁽¹⁾;
- An in-depth study of four cases.

1.3 Sources

Despite the importance of commerce for the Portuguese economy, studies on the sector tend to be few and limited in their scope, as do the available statistics, particularly as regards the sector's economic development. It was therefore necessary to have recourse to a great variety of sources whose data, while not always directly comparable, did make it possible to trace the main trends and developments of recent years.

The main sources of information were: publications of the Department of Commerce, the results of the 1981 population census published by the National Statistical Office, statistics of the Ministry of Employment and Social Security, reports of the Bank of Portugal; publications of the Ministry of Education; statistics of the social partners and of CECOA (Vocational Training Centre for Trade), the National Classification of Occupations and collective agreements for the retail trade.

Other publications on the sector were also consulted, particularly articles written by representatives of the social partners or by experts. Some of these articles contain new information permitting a better understanding of different aspects of the retail trade.

⁽¹⁾ Despite repeated requests to all social partners, the Retail Trade Federation only proposed 4 firms. The other firms were finally selected by the research team from a list of firms recently involved in training projects assisted by the Institute for Employment and Vocational Training, furnished by the Portuguese representative of the FORCE Programme.

SECTION 2 – STRUCTURE AND CHARACTERISTICS OF THE RETAIL TRADE

2.1 Economic importance

Commercial activities account for a relatively large share of Portuguese GDP, although their importance decreased during the eighties. In 1981, trade accounted for 22% of GDP, reducing to 17% in 1987 and 16% in 1989. This was due to the growing tertiarization of the Portuguese economy, with the main service sector components growing rapidly despite the dynamism of trade in the second half of the eighties.

In employment terms trade is of less importance, accounting for around 11% of the country's active population – a figure which has held steady over the last few years (10.7% in 1987 and 11% in 1988). If we consider only firms having employees, the share of the total number of employed accounted for by trade decreases slightly to 8.9% (8.6% in 1990). Within the trade sector as a whole, retailing accounts for about 80% of enterprises (81% in 1990). Since we are concerned with firms averaging 2.3 employees per store which are smaller than in the case of the wholesale sector (9.2 employees), the significance in terms of sales volume or employment is, however, less.

Retailing therefore accounts for about half the number of people employed in trade (53% in 1990), while its share of sales is very much lower at about one third (33% in 1987 according to the Department of Revenue).

2.2 Sectoral structure

The Portuguese retail trade suffers from major structural shortcomings of which the retail employees' associations are all too aware. These include the large number of firms with small units predominating, inadequate distribution systems, the low penetration of new technologies, and the lack of training of both employers and employees, which impedes the sector's development and modernization through improved commercial strategies, a better dimensioning of outlets, efficient stock management, etc.

Table 1 – The retail trade in 1990

Number of stores per 1000 inhabitants	11.8
Number of stores per firm	1.1
Number of employees per store	2.3
% of stores with only 1 person	53.1 (a)
% of stores with 2 to 4 persons	38.1 (a)
% of self-employed persons	35.6 (a), (b)
% of employees	49.4 (a), (b)
Number of employees per employer	4.6 (c)
% of food stores	55.2
Number of firms, food trade	68,762 (d)
Number of firms, non-food trade	75,122 (d)

(a) Includes motor vehicle and fuel outlets;

(b) 1981;

(c) 1989;

(d) 1987.

Portugal therefore, has a high number of stores in terms of population (11.8 per thousand inhabitants) with a heavy emphasis on food stores. The predominant feature, however, is the high number of firms with only one store, operated solely by the owner or unpaid family members. The small size of enterprises is underscored by the fact that 92.2% of firms only have one store and only 0.4% have five or more outlets. If we consider only those stores with salaried employees, the average number of workers per employer is less than five. Just on 1.9% of outlets had 20 or more employees in 1990.

A brief outline of sectoral structure emerges from the figures in Table 2, which show the heavy emphasis on food (CAE 6201). Food stores represent 55% of total stores and 47% of total employees. This is also the segment in which – despite the contrast of the self-employed shopkeeper with no employees and some large supermarkets or hypermarket concerns⁽²⁾ – we find the smallest average size of outlet

⁽²⁾ Supermarket: self-service retail sale of foodstuffs and household goods with a butcher's and a fresh fish section and a display and sales area above or equivalent to 200 square metres. Hypermarket: self-service retail sale of a wide variety of food and non-food products, in an area not below 2500 square metres.

Table 2 – Structure of the retail trade, 1990

	Number of firms (%)	No. of persons (%)		Sales volume (1987) (%)	Number of employees per firm
		Total	In firms with employees		
6201 Food/beverages	55.2	47.1	29.0	39.2	1.9
6202 Chemical, pharmaceut. & similar prod.	4.4	5.9	8.8	9.9	3.0
6203 Textiles, clothing and footwear	14.3	15.2	20.2	13.0	2.4
6204 Furniture and furnishings	7.5	8.9	14.0	11.2	2.7
6205 Construction mat./hardware	5.0	7.3	9.9	11.0	3.3
6208 Department/cut-price stores	0.1	0.6	0.4	0.4	8.7
6209 Other	13.4	14.9	17.7	15.3	2.5
Total	100.0	100.0	100.0	100.0	2.3

Source: Department of Internal Trade; Department of Revenue; Ministry of Employment and Social Security, 1990

and the least use of salaried workers. In fact, if we consider only firms with salaried employees the importance of the food trade is less, since the share of the total number of employed in the sector as a whole decreases to 29%. The small size of stores also reflects in sales volume which, however, still accounts for around 40% of total retail sales.

In the non-food branch, the group "Textiles, clothing and footwear" stands out for its large share of total employment and of the overall number of firms. Here again, small-size units predominate (average: 2-4 people). Department and cut-price stores⁽³⁾ (CAE 6208), on the other hand, are clearly irrelevant, whether in terms of number, employees or sales volume.

2.3 Historical and sectoral development

The first large retail stores in Lisbon came into being at the end of the last century, operating more or less on the same principles as modern stores - large size, low prices and counter-display of products. Even so, the retail trade in Portugal developed little until the sixties.

The development of trade in general and of the retail trade in particular has been slow in Portugal, particularly as regards organizational aspects or the adoption of new technology which in the meantime has become commonplace in most industrialized countries. To some extent this reflects both the slow development of the Portuguese economy as a whole and the relatively low purchasing power of the population. Modernization of commerce began in Portugal in the sixties with the appearance of the first drugstores and supermarkets. Even so, it was not until the eighties that the process of transformation really got under way, principally in the second half of the decade, due largely to Portugal's joining the EC and the positive growth in its main economic indicators⁽⁴⁾. Factors accelerating this process were a greater economic liberalization, a greater discussion and awareness of the problems, limitations and challenges created for the sector by its own entrepreneurs, and a degree of financial assistance given by the state to this sector, which had long been neglected.

Milestones in this process of acceleration were:

- the arrival, in the last decade, of shopping centres⁽⁵⁾, situated in the larger urban centres, partly in response to the rigidity of traditional working hours;
- the reorganization of multiple-store concerns, often involving links with foreign companies (Supa, Sonae/Promadés, Pingo Doce/Delhaize, Grupo Espírito Santo/Euromarché) with hypermarkets the most visible sign.

The most significant changes have taken place in the food segment, with the growth of outlets with large sales floors following the recent emergence of hypermarkets (one at the end of 1985, ten scheduled by 1990) and the growing number and size of supermarkets. Although no recent information is available concerning the influence of this type of outlet on total sales volume, such data as do exist indicate that they have already gained a significant market share. Thus by 1987 the six main supermarket/hypermarket companies already accounted

for 13% of food retail sales; by 1990 these six companies, by then among the 100 largest companies in the country, had tripled their sales in value terms. This gives some idea of their rapid growth and of the considerable changes brought about in the retail sector by the advent of large sales floors. New technology such as electronic scanning is now becoming more important and the pressure on smaller shopkeepers is obliging them to greater dynamism, expressed mainly in the formation of associations and improvements in the supply of goods for smaller stores.

The consequences for employment are also very important. In 1982 there were just 12 firms of this kind with around one hundred employees. By 1990, the number had grown to 26, five of them with 500 employees or even more. If we take only the units with salaried employees, the total number of people working in such stores doubled between 1985 and 1990, becoming 12% of the total for the retail sector as a whole and 43% of that for the food branch.

Table 3 - Evolution of supermarkets/hypermarkets

	1982	1985	1990
(1) Number of firms	626	718	940
(2) Number of people	9,371	10,558	19,196
Average size (2)/(1)	15.0	14.7	20.4

Source: Ministry of Employment

The growth of supermarkets and hypermarkets has been the main reason for the increased weighting of the food sector as regards both employment and sales in the retail trade as a whole. Taking only firms with salaried employees, the food sector's share of the total retail employment figure rose during the eighties from around one-quarter to almost one-third. Case Study A clearly shows how the sector has evolved in the supermarket segment.

⁽³⁾ Cut-price store: retail store where all kind of goods are sold at lower prices in specialized departments.

⁽⁴⁾ GNP growth went from -0.2% and -1.9% in 1983 and 1984 to 4.1% in 1986, 5.3% in 1987 and to 4.2% in 1990; inflation of 25.8% in 1983 and 28.5% in 1984, decreased to 10% in 1988 and 13.2% in 1990; unemployment fell from around 9% in 1984 and 1985 to 4.4% in 1990. Negative growth in real wages in 1983 and 1984 was followed by an increase of 7.2% in 1987 and 3.3% in 1990.

⁽⁵⁾ Shopping Centre: "set of retail stores and services which were designed, realized and organized as a unit".

Table 4 - Growth of retail trade groups and firm size

	% change on years shown				Number of employees/ firm		
	No. of employees per firm		Number of firms				
	1982-85	1985-90	1982-85	1985-90	1982	1985	1990
6201 Food/beverages	12.3	40.3	12.5	23.5	4.0	4.0	4.5
6202 Chemical/pharmaceut. & similar	7.0	18.2	7.7	18.0	4.0	4.0	4.0
6203 Textiles, clothing & footwear	-0.2	15.7	8.0	26.8	5.1	4.7	4.3
6204 Furniture and furnishings	1.7	33.1	11.6	36.3	5.2	4.7	4.6
6205 Construction mat./hardware	-3.2	19.5	8.0	27.0	6.2	5.6	5.3
6208 Department/cut-price stores	-6.1	-43.3	22.0	12.0	25.0	19.2	9.7
6209 Other	14.0	41.9	18.1	51.7	4.5	4.3	4.0
Total	5.6	29.0	11.4	30.2	4.7	4.4	4.4

Source: Ministry of Employment

All the non-food sector groups show a decline in importance except for the "other" category into which Case Study B falls. The most notable decreases are in the case of such traditional stores as "textiles and clothing", whose share of the retail sector's employment figure dropped from 20% to 16% between 1982 and 1990.

One consequence of the growing number of large-scale units has been an increase in the average size of firms in the food sector - from four employees in 1982 to 4.5 in 1990. At the same time, the average size of firms in the non-food branch has fallen from 5 to 4.4 employees. The proliferation of smaller units resulting from the enormous growth of shopping centres is also linked to this phenomenon, although most of these small shops have no employees, and are thus not covered by these statistics.

A closer look at Table 5, which shows the growth in the total number of firms, and not only those with employees, reveals two of the main results of developments in the retail trade. The first is the disappearance of small food outlets due to competition from the supermarkets/hypermarkets; the second is the rapid growth in small non-food outlets, mainly in the clothing and related segments, attributable to the emergence of shopping centres.

Table 5 - Growth in number of firms paying tax 1983-1987

Sectors	1983	1985	1987
6201 Food/beverages	72,326	70,692	68,762
6202 Chemical/pharmaceutical	4,727	4,956	5,474
6203 Clothing/footwear	23,740	23,442	27,338
6204 Furniture and furnishings	9,088	8,997	9,682
6205 Construct.mat./hardware	10,400	9,920	10,252
6208 Department/cut-price stores	68	71	108
6209 Other	18,540	18,677	22,268
TOTAL	138,889	136,755	142,884

Source: Department of Revenue

SECTION 3

SOCIAL AND INSTITUTIONAL CONTEXT

3.1 Legal framework

There is a vast corpus of legislation governing the retail sector. It covers many subjects, ranging from the creation of retail firms, companies and cooperatives to standards for installing equipment, safety and hygiene, consumer protection, the obligation to fix prices for all goods and to provide product information. Most of this legislation is recent, dating from the eighties and nineties, and is the result of compliance with EC directives. There is also legislation setting maximum and minimum shop opening hours for the country as a whole, namely from 6.00 a.m. to 12.00 p.m. throughout the week except in certain special circumstances (Decree-Law 417/83). In addition, a store's opening hours require local authority approval. In practice opening hours are shorter than the law allows. The most usual time is from 9.00 a.m. to 7.00 p.m., with a lunch break from 1.00 to 3.00 p.m. on Mondays to Fridays and from 9.00 a.m. to 1.00 p.m. on Saturdays.

Shopping centres, hypermarkets and even some supermarkets have much longer working hours: from 9.00/10.00 a.m. to 10.00/12.00 p.m., every day of the week.

Shop opening hours have been the subject of some controversy between local councils, employers' trade associations and unions, particularly in the big towns. The trade associations want more flexible, longer opening hours while the unions fear a deterioration in employees' working conditions. Some agreements have already been reached and in some towns shops no longer close at lunch-time and stay open until 8.00 p.m.

Establishing some types of stores, especially larger ones, requires permission from the Ministry of Commerce and Tourism where new buildings have to be put up or existing ones extended. This permission depends in turn on the opinion of the Regional Coordination Committee for the area and of the Highways Department when the building is situated close to a main highway.

3.2 Retailers' and employers' associations

There are two kinds of association to be found in the retail trade. They are distinguished by their functions.

- Economic protection of shopkeepers, with powers to act in matters of an economic or fiscal nature or in matters involving the customs authorities. Such associations are based on the general right of association;
- Defence and promotion of shopkeepers' collective interests, with powers to conclude collective labour agreements. These are constituted in accordance with the legislation governing employers' associations and only acquire legal personality after their memorandum of association has been published by the Ministry of Employment in its official bulletin.

It is, of course, the second type of association which negotiates collective agreements with the Unions. Almost all the basic associations (employers' or otherwise) in this sector are linked together in the Retail Trade Federation or in the National Federation of Meat Traders, both of which are members of the Portuguese Trade Confederation (CCP). The CCP covers the whole retail trade and represents 110

employers' associations (which usually bring together the retailers in a certain geographical area), 6 entrepreneurs' associations, 2 federations (already mentioned) and 1 union (Union of the Shopkeepers' Associations of the Lisbon District). The CCP has a seat on the CPCS - the Permanent Council for Social Agreement - a tripartite authority created in 1984 to encourage dialogue and to mediate between the social partners, and thus participates in the formulation of the country's macro-economic and social policy, particularly as regards incomes and prices, employment legislation, social security, vocational training, workplace hygiene and safety and the like.

3.3 Unions

Although some occupational groups choose to join professional unions⁽⁶⁾, the majority of employees in this sector have associated with clerical and service employees in unions and federations belonging to the UGT, the General Workers Union, or to the CGTP-IN - the General Confederation of Portuguese Workers.

The number of unions in this sector is quite high (about 20) since, as happened in the case of employers' organizations, a tradition of organization by district has prevailed in addition to a high level of parallel representation resulting from disputes between the two confederations.

There is no official data concerning unionization in the retail trade, although this is thought to be relatively low given the entrepreneurial structure of the sector. Some studies, however, estimate unionization in 1986 as around 50% of the whole trade, of office and service sectors.

Like the CCP, both union confederations (UGT and CGTP-IN) are equally represented on the Permanent Council for Social Agreement and are thus also involved in discussions on the topics already mentioned.

3.4 The role of the social partners in vocational training and collective agreements

Only very recently has vocational training, whether as part of the school curriculum or outside the sphere of school, begun to be treated in a manner appropriate to its importance for economic and social development.

Moreover, except for the traditional training of apprentices in offices or factories or in certain firms where a shortage of more skilled workers obliged them to create their own vocational training schemes, vocational training has remained almost exclusively a state concern.

The social partners have done little in this area and much of what they have done has been due to their involvement in government initiatives.

These statements are borne out by the inadequacy, until only a few years ago, of the vocational training

⁽⁶⁾ As, for instance, the professional pharmacists, the pharmacy assistants, professional department store and technical sales staff. This gave rise to the Professional Pharmacists' Union, The Pharmacy Assistants' Union, the Department Store Employees' Union and the Technical Sales Staff Union.

schemes and activities organized by the social partners as compared with those organized by the state, and the disregard of vocational training in collective bargaining or industrial relations.

There are a number of reasons for this situation. We consider the main ones to be the slowness of our economy to develop, plus the fact that the Portuguese union movement and the industrial relations system were bound up with the ideological concept and organization of the corporatist social state that existed in Portugal until April 1974. The control that the corporatist state exerted over the social partners for nearly 40 years, subordinating their constitution, activities and the Portuguese industrial relations system to its domination, inculcated certain attitudes into the social partners and reduced their initiative and willingness to act independently of the state.

Then, until the second half of the eighties, the social partners were struggling with numerous problems as they sought to reorganize themselves once a democratic system had become established and to cope with the severe difficulties provoked by the economic crisis.

The last few years have brought a number of important changes in the sense of a greater autonomy on the part of the social partners and in negotiations concerning vocational training. Portuguese membership of the EC and a reassessment of the role to be played by private initiative and the various social groupings contributed decisively to such changes. The result was the negotiation in 1991, at national level within the framework of the Permanent Council for Social Agreement and between all the trade union and employers' organizations (UGT and CGTP-IN and CCP, CAP⁽⁷⁾ and CIP⁽⁸⁾) and the state, of the first specific agreement on vocational training. This led to the publication of two laws. The first made vocational training either part of the educational system or a function of the labour market (Decree-Law 401/91, of 16 October); the second laid down specific regulations governing vocational training as part of employment (Decree-Law 405/91 of 16 October).

Both laws accord the social partners an important role, which they had in fact already been developing at institutional level for almost ten years. The social partners are represented on various government vocational training bodies either of a consultative nature (National Council for Education) or of an executive nature (IEFP - Institute for Employment and Vocational Training). These laws are now acting to strengthen the role of the social partners - in the words of the first law "in coordinating and managing the system of certification through tripartite structures" and "in the general coordination of vocational training within the framework of the Permanent Council for Social Agreement and at sectoral and regional level", and in the words of the second law "in defining and assessing vocational training policy and coordinating the system concerned within the social agreement framework".

Both laws also recognize union, employers' and entrepreneurs' associations as training bodies, the second law stating specifically that it is incumbent on the social partners "to promote the development of basic and continuing further training" and "to carry out training activities".

Vocational training is nowadays dealt with in many

industrial agreements. For instance, the Vertical Collective Labour Agreement (CCTV), which was negotiated between the Union of Lisbon Shopkeepers' Associations (and other employers' associations) and the Union of Trade and Office Workers and Service Employees of Lisbon (and other unions), cites among other aspects already regulated by the law in general that "employees who attend retraining or further training courses are entitled to a reduction of up to 120 hours per year in their working hours without detriment to their wages and other benefits" and that "the employer shall bear the costs of retraining or further training courses, where these fall within the scope of the firm's specific activities and an agreement exists between the parties concerning their attendance"⁽⁹⁾.

However, some agreements in the retail sector - such as the Collective Labour Agreement applying in the case study firms - make no reference at all to vocational training. Because of the wide range of union and employers' associations in the sector, the number of regulations governing working conditions in the retail trade is very high (almost 30). However, despite their great importance in employment terms and a number of efforts made in this direction by the unions, there are no regulations specifically governing the supermarket segment.

⁽⁷⁾ Confederation of Portuguese Agriculture

⁽⁸⁾ Confederation of Portuguese Industry

⁽⁹⁾ B.T.E.: 16, 1st Series, p. 636-689.

SECTION 4

EMPLOYMENT AND WORKING CONDITIONS

In line with the economic situation in the sector and the large number of firms, the number of self-employed persons working for their own account⁽¹⁰⁾ is very high — 36,2% in 1970 and 35.6% in 1981.

Table 6 — Breakdown by category of employee (in %)

Category	1970		1981		1991
	Retail*	Nat. average	Retail*	Nat. average	Trade**
Owners	6.9	6.7	12.5	11.4	13.0
Self-employed	36.2	31.9	35.6	29.5	29.3
Employees	54.3	59.1	49.4	56.8	50.0
Unpaid family members	2.1	1.8	2.2	1.8	6.5
Others	0.1	0.5	0.3	0.5	0.2
TOTAL	100	100	100	100	100

* Source: XIth and XIIth General Population Census (Includes motor vehicle and fuel sales)

** Source: Department of Revenue (Includes the entire trading sector)

Similarly, in firms with salaried workers, the proportion of owners is also high (17,6% in 1989) compared to the national average (6.0%).

Table 7 — Breakdown by category of persons working in firms with salaried employees

		Continent and autonomous regions							
		Owners		Unpaid workers		Employees		Total country	
Years		Number	%	Number	%	Number	%	Number	%
1982	Retail trade	20,125	17.6	885	0.8	92,428	80.9	114,253	100
	National total	91,637	4.8	2,840	0.2	1,808,990	93.9	1,927,344	100
1985	Retail trade	20,030	18.4	670	0.6	96,601	80.7	119,642	100
	Total retail trade	24,886	16.7	702	0.5	122,784	82.6	148,737	100
	National total	101,688	5.3	2,322	0.1	1,775,474	93.7	1,897,550	100
1989	Retail trade	26,775	17.6	420	0.3	124,372	81.8	152,121	100
	National total	129,108	6.0	1,869	0.09	2,019,726	93.1	2,168,901	100

Source: Based on data supplied by firms to Ministry of Employment

⁽¹⁰⁾ Small shopkeepers who have no salaried employees. Shopkeepers with such employees are designated "Owners"

4.1 Levels of qualification

In Portuguese the word "qualification" has different meanings, each with some relevance to work. They are:

- Skill qualification, which refers to the knowledge a worker acquires from training inside or outside school;
- Job qualification, which refers to the skills and aptitudes needed for the job;
- Nominal qualification, which places a person in one of various vocational or professional categories specified in a collective agreement.

While both skill and job qualifications express the degree of complexity of a certain job at a certain time within a social structure, nominal qualification situates a person socially and professionally within a hierarchy that has been established in the process of social conflict concerning the regulation of working conditions⁽¹⁾. As a result some discrepancies may occur between nominal qualification and skill/job qualification. Labour shortages or systems involving automatic promotion on the basis of years of service enshrined in collective agreements naturally tend to increase the nominal level of qualification without any enhancement of skill or job qualification. Surplus labour situations, on the other hand, tend to undervalue a person's skills and, for example, to include young graduates in low nominal qualification categories.

Given the different concepts of qualification to which we have referred and the statistical data available, qualification has been assessed on the basis of:

- qualification levels defined by the Ministry of Employment, whose statistical data cover nominal qualifications;
- educational levels, which take account of basic qualification (training), and, because of the lack of out-of-school training, more or less reflect a person's entire training excluding job experience;
- the relationship between the education and nominal qualification level that grosso modo takes account of the discrepancy referred to above.

The structure of employment based on level of qualification is very similar to the national average, which shows a marked predominance of skilled and semi-skilled personnel compared with higher levels of

education. There are no signs of significant change. In the case studies, the qualification structure is approximately 75% weighted towards the semi-skilled and unskilled.

A separate analysis of the food and non-food sectors and, within the former, of the supermarket/hypermarket segment shows the following:

- the higher proportion of store managers in the food sector, especially in supermarkets/hypermarkets is, as Case A confirms, closely linked with the large number of stores and less autonomous forms of organization;
 - the higher proportion of senior and middle management in the non-food trade, due to the lower average number of stores per firm and, consequently, the existence of more responsible jobs.
- The similarity between the organizational characteristics of the other case studies and supermarkets explains the larger proportion of store managers and the like.

As Table 10 shows, the average educational level is generally very low. Only about 3% of the population have benefited from formal secondary school or university education while about three-quarters have had at most a basic preparatory education (6 years). Moreover, a low level of education is frequently found for people in higher positions, i.e. senior and middle management, highly-skilled workers and store managers who, as can be seen from Table 11, have only preparatory education or less - 48% in the case of senior management, 61.2% in that of middle management, 51.2% in the case of highly skilled workers and 63.4% in the case of store managers.

Such low qualifications at all levels, from entrepreneurs to salaried workers and the paucity of technical staff is undoubtedly an obstacle to modernization in the retail sector and explains why management strategies still tend to be very conventional and insufficient to cope with the growing competition of recent years.

⁽¹⁾ KOVACS, I., CERDEIRA, M. AND MONIZ, A.: "A comparabilidade das qualificações no contexto da integração europeia - o caso da indústria metalúrgica e metalomecânica", in *Emprego e Formação*, 5, IEFP, 1991, pp.5-19

Table 8 - Evolution of employment structure based on qualification (in %)

	National average			Retail trade			Case A*	Case B*	Case D*
	1982	1985	1989	1982	1985	1989	1990	1990	1990
Senior managers	1.8	2.4	2.1	1.5	4.9	2.9	0.4	0.7	1.0
Middle managers	2.1	2.1	2.1	8.9	4.8	3.6	1.2	2.8	4.0
Store managers etc.	3.9	3.9	3.7	3.7	3.3	3.0	4.7	7.7	13.0
Highly skilled personnel	3.4	3.6	3.7	4.0	3.9	3.6	-	5.6	-
Skilled personnel	37.4	37.6	36.3	42.7	42.1	38.1	12.4	9.2	49.0
Semi-skilled personnel	18.7	18.5	17.7	8.2	7.3	7.6	65.8	-	18.0
Unskilled personnel	11.7	10.7	11.3	6.8	7.1	7.4	11.8	73.9	3.0
Apprentices/trainees	9.1	9.3	11.4	12.4	12.8	16.4	3.7	-	-
Unknown	11.9	11.9	11.7	11.8	13.8	17.4	-	-	13.0

Source: Based on data supplied by firms to Ministry of Employment

* Data supplied by firms

Table 9 - Employment structure in the food and non-food retail trade based on qualification level (1989 figures)

	Senior man.	M.m.	St.m.	H-sk.	Sk.	S-sk.	Unsk.	App.	Unknown	Total
Food segment	1.9	2.4	4.0	0.4	37.3	11.9	7.8	18.0	16.3	100
Sup./ Hypermarket	1.6	1.5	7.4	0.8	45.6	5.7	8.7	21.3	7.4	100
Non-food segment	3.2	4.0	2.7	4.8	38.6	6.0	7.2	15.8	17.8	100

Source: Based on data supplied by firms to Ministry of Employment

Table 10 - Evolution of employment structure based on educational level

Educational level	Retail sector			Whole country			Case A*	Case B*	Case C*	Case D*
	1982	1985	1989	1982	1985	1989	1991	1991	1991	1991
Primary < 4 years	3.6	2.8	2.0	11.1	9.1	6.0	26.9	-	-	21.9 42.0
Basic primary + preparatory (4-6 yrs)	73.8	72.4	66.5	65.0	67.6	66.5	34.9	28.9	32.9	-
General secondary + Technical secondary	13.1	14.5	17.1	11.5	12.7	13.3	27.2	41.5	28.1	32.0
Complementary secondary (11 yrs)	3.3	4.3	7.5	3.3	4.1	5.9	7.8	26.8	14.1	21.0
Lower/higher school cert.	0.6	0.6	0.6	1.0	1.3	1.2	0.1	1.4	2.3	4.0
University degree	1.6	1.8	1.8	1.9	2.2	2.4	0.3	0.7	0.8	1.0
Others	0.3	0.3	0.9	0.4	0.4	1.1	-	-	-	-
Unknown	3.7	3.3	3.6	5.8	2.6	3.6	0.7	-	-	-

Source: Based on data supplied by firms to Ministry of Employment

* Data supplied by firms

Table 11 - Nominal qualifications and educational levels (Active workers in 1989)

SKILL	4 years	Pr.+ prep.	Sec.	Add. sec.	tec. sec.	Other sec.	School leaving cert.	Degree	Unkn.	Total
Senior manager	-	48.0	12.9	9.8	12.3	0.5	3.1	6.5	6.9	100
Middle managers	1.0	61.2	11.5	8.2	7.4	0.6	1.3	2.0	6.8	100
Store managers	0.9	63.4	13.0	9.6	6.7	0.7	0.8	1.1	3.8	100
Highly skilled personnel	0.5	51.2	15.6	8.9	7.7	0.3	1.9	9.6	4.3	100
Skilled personnel	1.1	69.3	13.9	7.9	3.9	0.4	0.2	0.2	3.2	100
Semi-skilled personnel	3.0	75.5	10.4	6.2	1.2	0.2	0.1	0.1	3.3	100
Unskilled personnel	10.6	78.1	4.9	1.9	0.6	0.1	-	-	3.8	100
Apprentices/ trainees	0.9	64.1	18.4	10.1	1.2	0.6	0.3	-	4.4	100
Unknown	2.9	3.6	3.0	3.6	38.1	7.6	7.4	16.4	17.4	100

Source: Based on data sent by the firms to Ministry of Education

4.2 Occupational structure

Shopkeepers and sales personnel fall into group 4 of the National Classification of Occupations (CNP), which accounts for 43.2% of employment in this sector. Table 12 shows the main occupations in this group, as well as jobs falling into other groups but found in the sector with which we are concerned. Sales assistants, shopkeepers and clerical workers are the most important occupational categories in the retail trade. The structure is, of course, different in the case of supermarkets/hypermarkets, where the display assistant/supermarket oper-

ative category prevails, accounting for 2.4% of total employment.

A look at the various jobs referred to (which represent 80% of the employment figures) in combination with skill qualification levels reveals:

- the relatively high percentage of trainees and apprentices, particularly among the sales assistants (30.1%) and butcher's assistants (29.5%), underlining the importance of on-the-job training for these specific occupations;
- the heavy weighting of sales assistants and pharmacy assistants in the structure of skills.

Table 12 - Most representative occupations related to skill levels (1989)

Occupation	Senior man.	M.m.	St.m.	H-sk.	Sk.	S-sk.	Unsk.	Apprent.	Overall weighting	Total
GROUP 4 (CNP)										
Man. dir. & shopkeepers	33.3	42.8	23.1	-	0.8			6.2	6.2	100
Sales man./Sales inspector/Sales rep.		10.7	60.4	5.6	23.3			0.2	0.2	100
Travelling salesman, wholesale employee/advert. clerk/other assistants		1.3	0.3	0.3	78.8	0.5		1.5	18.9	100
Specialist salesmen		0.4	-	7.8	91.8			0.6		100
Retail and bakery sales assistants			0.8	64.4	4.7			31.9	30.1	100
Display asst./demonstrator					82.5	7.7	3.9	2.7	5.9	100
OTHER GROUPS (CNP)										
Cashier					28.5	60.4		2.4	11.1	100
Clerk				1.7	79.5			5.2	18.8	100
Butcher's asst.					69.6	0.2	0.8	2.7	29.5	100
Pharmacy sales asst.							11.4	3.5		100
General assistant						2.7	97.2	3.5	0.1	100
Other								18.1		100
TOTAL/AVERAGE	2.9	3.6	3.0	3.6	38.1	7.6	7.4	78.5	16.4	

Source: Based on data supplied by firms to Ministry of Employment

4.3 Other employment data

Those employed in the retail trade sector are also characterized by:

- an age structure identical with the national average, except in the supermarkets/hypermarkets where 5.25% of employees are under 30 years of age and 32% under 25. In the case studies, the proportion of young people aged under 30 is around 70%.

Table 13 - Age structure of employees (1989) (in %)

Age group	Retail trade	Country average
12-14	0.2	0.4
15-24	22.7	21.6
25-34	27.9	27.7
35-44	19.9	22.7
45-54	13.1	15.0
55-64	7.6	7.6
> 64	2.2	1.1
Unknown	6.4	3.9

Source: Based on data supplied by firms to Ministry of Employment

- a proportion of female employees considerably higher than the national average, noticeable particularly in the case studies.

Table 14 - Breakdown of Employees by sex (1982, 1989)

	1982		1989		Case A* 1991	Case B* 1991	Case C* 1991	Case D* 1991
	Retail trade	Country average	Retail trade	Country average				
Male	57.1	69.7	51.9	64.4	35	22.5	69.0	39.0
Female	42.3	30.3	48.1	35.6	65	77.5	31.0	61.0
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Based on data supplied by firms to Ministry of Employment

* Data supplied by firms

- a proportion of employees on fixed-term contracts slightly lower than the national average but higher in the case of female employees. In the case of supermarkets/hypermarkets the rate can be as high as 50%.

Table 15 - Trend of fixed-term contracts

	1985	1989	1990 or 1991
Trade* (M + F)	10.3	18.4	16.4
National average (M + F)	12.0	20.0	18.2
Trade* (F)	10.6	19.6	18.8
National average (F)	12.7	21.2	20.3
CASE STUDY A **	-	29.6	44.4
CASE STUDY B **	-	-	74.6
CASE STUDY C **	-	-	35.2
CASE STUDY D **	-	-	7.0

- wages and salaries well below the national average for all qualification levels, and average weekly working hours above the national average.

Source: Quarterly Employment Survey,

MoE Department of Statistics

* Includes the entire trade sector

** Data supplied by firms

Table 16 - Breakdown of part-time working hours

YEAR	< 15 hrs	15-24 hrs	25-34 hrs	35-39 hrs	Other	Total
1988*	27.9	35.6	32.9	2.4	1.2	100
1990*	25.5	36.3	29.1	6.6	2.5	100

Source: Data supplied by firms to Ministry of Employment

* Includes motor vehicles and fuel

- a proportion of part-time employees lower than the national average—about 8% in the retail sector compared with 12% of the total national employment figure.

Table 17 - Monthly wages/salary by level of qualification (1989)

(Escudos M/F)

	Senior mn.	M.m.	St.m.	H-sk.	Sk.	S-sk.	Unsk.	Apprent.	Av.
Retail									
Trade*	124,711	85,302	87,596	87,517	54,757	44,651	40,491	37,654	53,811
Country									
Total	197,339	143,409	102,787	103,551	66,211	55,053	46,701	37,041	67,808

Source: Data supplied by firms to Ministry of Employment

* Includes motor vehicles and fuel

Table 18 - Average weekly working hours (full and part-time) over the whole period, broken down by qualification levels (1990)
(Hours M/ F)

	Senior man.	M.m.	St.m.	H-sk.	Sk.	S-sk.	Unsk.	Apprent.	Total
Retail trade*	36	41	42	42	41	42	35	41	41
Country Total	37	37	41	38	41	40	38	41	40

Source: Data supplied by firms to Ministry of Employment

* Includes motor vehicles and fuel

4.4 Summary

Overall the various employment figures are fairly similar to the national average, which means that the retail sector is faced with the same problems: the low educational level of employees, a qualification structure heavily concentrated on the lower levels, and a low proportion of technical staff. However, taking the retail sector as a whole, the problems as regards qualification are rendered more acute by the fact that the low educational level of the senior and middle managers, highly skilled personnel and store managers may cause people to adopt less favourable attitudes either towards vocational training itself or towards technical innovation and reorganization and new management methods.

CHANGING CONDITIONS AND THEIR IMPLICATIONS FOR QUALIFICATIONS AND VOCATIONAL TRAINING

1.

New responsibilities and the need for qualification and vocational training is the result of changes in the retail trade and especially of the diversification of retailing, which in Portugal is noticeable in:

- the growing number of large stores
- the increased number of shopping centres
- the emergence and spread of other types of retailing, such as mail order and franchising.

Moreover, the introduction of new technologies such as computerized cash registers and point-of-sale scanning call for training in new areas. So does the use of new approaches to selling aimed at changing consumer patterns, particularly by encouraging a greater variety and individualization of goods, leading to greater market segmentation. Such changes call for adaptability to new situations and, consequently, a learning process. However, there was no sign of any uniform approach to changing job specifications or to training requirements.

Nevertheless, new opportunities are emerging thanks to new technologies and new forms of work organization. They include

- a reduction in repetitive manual tasks;
- a reduction in the volume of administrative work;
- the use of data recorded at point-of-sale for the commercial or administrative management of a firm or store;
- a greater emphasis on customer relations;
- greater versatility;
- improved working conditions (especially flexible working hours);
- more reliable data.

Exploiting such new possibilities implies new skills and further training needs, whether for sales assistants or managerial staff.

When the principle of organizational flexibility is adopted, the cashier's responsibility could be broadened to include, for example, serving and advising customers, receiving goods, etc. as is apparently the case in smaller stores.

An example of this is provided by Case Study A where it is stated that the organization of work varies considerably according to store size. The variety of jobs performed by individuals is much greater in smaller stores whereas in larger stores generally, only the category of supermarket assistant or equivalent is called upon to perform a variety of tasks.

Here vocational training tends to be broader, introducing the basics of signs and symbols, aspects of serving customers, checking invoices and other documents, and the like.

However, the principle most frequently followed in larger stores in Portugal tends to be specialization with a rather rigid division of labour. As a result, automation of cashier tasks (PLU, PoS) does not involve any great changes in work. All the training required is in the use of a scanner (PoS, PLU), and in ensuring that the customer makes the correct payment (PoP)⁽¹²⁾.

In hypermarkets, personnel management aims to ensure flexibility in workforce numbers. This is reflected in the high rates of fixed-term contracts and staff turnover noticed in Case Studies A and B.

This tendency workforce instability does not encourage investment in vocational training.

A number of specific problems led in 1988 to an attempt to negotiate a collective agreement for the supermarket and hypermarket subsector because the general collective agreements for the retail sector were not thought adequate. However, the negotiations broke down⁽¹³⁾.

To exploit the possibilities of cash register automation (PoS) and of management computerization, managerial staff must be able to:

- define objectives and monitor results;
- inform and motivate their subordinates;
- combine data on purchasing, stocks and product substitution;
- process data.

In Portugal the main obstacle preventing managers from making use of new opportunities is their low level of qualification. As already mentioned, about two-thirds of middle managers and store managers have only had the minimum six years' schooling.

To overcome the difficulties associated with training and to make training the focal point of efforts by both employers and unions to modernize the retail trade, it has been proposed that a private body be set up for this purpose, linked to existing organizations but free from their day-to-day concerns. Its aims would be:

- to design and evaluate education and training in the trade and service sectors;
- to act as an interface with government authorities and others in matters of education as training;
- to instill dynamism into everything to do with education and training in this sector;
- to work with the competent authorities to encourage certification of education and training⁽¹⁴⁾.

Other organizational shortcomings exist, such as the lack of decision-making ability and autonomy for managerial staff. Moreover, centralized decision-making and a heavy dependence on company headquarters impedes efforts to attain organizational flexibility.

Another is the limited involvement of personnel in the processes of change. In Portugal, staff are involved in decisions concerning new technologies to a lesser degree than in other EC countries and users tend to be disregarded except for the user information given at the implementation stage.

This lack of participation and the limited, hasty training given prevents those concerned from taking advantage of the new possibilities opened up. It also

⁽¹²⁾ PLU - Price-look-up;

PoS - Point-of-sale;

PoP - Point-of-payment.

⁽¹³⁾ cf. CONDE, José (FEPES - Portuguese Federation of Unions of Shop, Office and Service Sector Workers); "Hipermercados e Supermercados. Principais problemas e experiências de negociação colectiva", presented to the Seminar on "As transformações do sistema de relações profissionais em Portugal no contexto do diálogo social", Ministry of Employment, Lisbon, 14-15 Nov. 1991.

⁽¹⁴⁾ cf. CARDOSO, Luis Pombo et al.: "Ensino e formação em Comércio", paper presented to the 3rd Congress of the Trade and Service Sector, Lisbon, 30 Nov. 1990.

increases the risk of more accidents and malfunctions when equipment is used.

A study made in France reveals a marked correlation between a low level of accidents and a high level of staff information and participation, and vice versa⁽¹⁵⁾.

Vocational training programmes for managerial staff stress the importance of involving different groups of workers and users of modern equipment in the retail sector.

Training programmes also need to emphasize changing technological and organizational trends in the retail sector so as to encourage a better understanding of the need for changes in structure, information and communication systems, in the organization of work and, consequently, in the functions and responsibilities of staff.

⁽¹⁵⁾ cf. European Foundation for the Improvement of Living and Working Conditions: 2Nouvelles Technologies dans les Supermarchés - France, Dublin, Fond. Européenne, 1985.

SECTION 6 – TRAINING AND RECRUITMENT

1.

In this section we shall consider the Portuguese system of formal education and vocational training in the wholesale and retail trade.

We shall take as our reference period for the formal education system the year 1986, in which the law governing the basic educational system (*Lei de Bases do Sistema Educativo*) was enacted. This law laid down both the different levels of education, and some desirable experiments with curriculum and teaching methods which have since been carried out. It is worth pointing out that this law revived vocational education, which had been done away with in the seventies.

On the vocational training side 1987 marked the beginning of the activities of CECO – the Vocational Training Centre for Trade and Allied Occupations. This centre has since become the driving force in the field of vocational training in this sector, and therefore deserves more detailed attention.

Both formal education and vocational training will be analyzed for the wholesale and retail trade in general.

6.1 Formal education and basic vocational training

To facilitate understanding of the context of instruction in matters connected with the retail and wholesale trades, we thought it important to explain the current structure of education in Portugal, as laid down in the law referred to. This divides education into two stages: pre-school education and school education proper.

Pre-schooling, which is the responsibility of the state, complements education given within the family.

Formal school education includes basic elementary, secondary and higher education, including special teaching and leisure activities.

Basic elementary education is universal, compulsory and free of charge. It lasts for nine years and is composed of three cycles, the first of four years, the second of two and the third of three. The first cycle is very general, the second cycle is broken down into interdisciplinary areas of basic education and the third is organized on the basis of a curriculum that includes a variety of courses.

Secondary education is organized in different ways, with courses in some cases predominantly work-related and in others directed towards continuing education. The duration of this stage is three years, except in the case of the vocational course, which only takes one year.

Higher education includes university and polytechnic courses. The university courses normally last 5 years and polytechnic courses 3 years.

The special teaching by schools includes special education, vocational training, adult education, education by correspondence and Portuguese education abroad.

Turning to basic training, mention should be made of the apprenticeship system introduced in 1985. Its aim is to offer a valid alternative to vocational training of young people leaving secondary school. The system is of the "sandwich" type with a general training component (given in public or private schools or by the firm concerned) and another specific training component (given by the firm, in cooperative centres or in vocational training centres recognized by the IEF). Apprenticeship courses last between one

and four years. Once a young person has passed the final examination he or she is awarded a certificate of competence and appropriate equivalent educational certificates.

6.2 Commercial education

The origins of commercial education date back to the 18th century and the educational reforms of the Marquis of Pombal.

1759 saw the creation in Lisbon of the "Aula do Comércio" (commercial school) followed soon afterwards in 1763 by that of the "Aula da Náutica" (nautical school) in Oporto, later renamed the Royal Academy of Naval and Commercial Studies.

Since their purpose was to provide a grounding in more technical commercial subjects such as arithmetic, book-keeping and weights and measures, the commercial and naval schools were the beginnings of the commercial institutes that now exist in Lisbon and Oporto.

An important reform in the sphere of commercial education came into effect in 1948 during the time of the corporatist state. This established a two-tiered system:

- 1) A two-year general education and pre-apprenticeship course common to commerce and industry, known as the elementary preparatory cycle,
- 2) A three-year course following on the preparatory cycle, comprising a general commercial course and a course of shorthand and typewriting, the former designed for future employees in trade, banks or insurance companies and the latter for civil servants.

A more advanced general commercial course lasting 6 years was introduced to follow on from primary school. This is an evening course aimed at people in employment wishing to extend or improve their knowledge.

To enable people to qualify for entry to the commercial institutes (medium level) – which in the meantime had been changed and had added two new courses (customs expert and foreign language correspondent) to the book-keeping course already existing – a preparatory section lasting one school year was created to run simultaneously with the third year of the general commercial course.

When compulsory education was first extended to 6 years in the late sixties, secondary education entered on a new phase in which the academic and technical branches are gradually being brought together. By the late seventies, the technical courses had been reduced to general courses with supplementary evening courses – representing less than 10% of total hours' attendance of secondary education. 1975/76 finally brought together the academic and technical courses in the "general unified course". This was followed in 1978/79 by the introduction of complementary educational/vocational courses.

At present the teaching of commercial subjects begins in the ninth year of the formal educational system.

In addition to the basic general training, there are a number of options which include two commercial subjects – administration and commerce, and introduction to economic activity.

The nine years leading to completion of general

secondary education are followed by a complementary secondary course covering the 10th, 11th and 12th years, with the general course supplemented by three alternative courses – academic, technical and vocational.

The *academic option*, which paves the way for a university course, deals with commercial activities in the context of economic and social studies.

Although the *technical option* also qualifies a person to proceed to higher education, it offers a more technical training for those preparing to enter the world of work, or considering the possibility of a period of post-school practical training. Subjects linked to commerce are mainly *accounting and administration*.

The *vocational option* involves only one school year following the 9th year of education, followed by a six-month period of practical training. This option includes a clerical assistant course covering subjects such as *accounting, reception work, secretarial work or selling*.

Upon completion of secondary education, a student can embark on higher education, which means a course of study at a university or polytechnic.

University courses on the commercial side include one in company organization and management, available at almost all Portuguese universities, public and private.

Also relevant in this connection are the Higher Institutes of Accountancy and Administration (Commercial Institutes until 1976) which offer two types of course. On the one hand, they confer a bachelor's degree at the end of three years' study. On the other, they offer a course leading to a "Diploma of Higher Specialized Studies", involving two further years of study which is equivalent to a second university degree. This two-pronged approach is generally regarded as an obstacle to these institutes being counted as producers of middle managers for the sector – a role they assumed in the seventies when they were still known as "Institutes of Commerce".

In 1989, special courses provided for under the basic law governing the educational system were used as the framework for creating vocational schools at secondary level.

The reason for setting up these schools was the desire to encourage alternatives to the formal educational system and at the same time to relate courses more closely to the labour market. This was achieved thanks to programme contracts concluded between public and private bodies – companies, associations, trade unions, autonomous bodies and others.

The courses run by these vocational schools are aimed at young people who have finished the ninth year (3rd cycle) of secondary education or the sixth year of elementary school or have left the 3rd cycle uncompleted.

However, for the reasons which led to the creation of the vocational schools, it is possible for people already in employment to attend their courses after work.

It should be pointed out that besides offering a technical component, these courses also provide education in scientific and cultural subjects. Their certificates are in line with EC qualification levels.

In 1990, Portugal had 121 vocational schools, including their various branches. In that same year the

commercial sector had 19 schools scattered throughout the country and offering the following courses:

- Use of computers in management
- Commerce
- Commercial services
- Foreign trade
- Marketing, communication and public relations
- Accounting
- Management
- Secretarial subjects.

Courses more directly related to commerce are the Commerce and Commercial Services courses with a specific focus on foreign trade and regional development. These courses last three years with 3600 (Commerce) and 3700 hours (Commercial Services) respectively.

The first course referred to is expected in 1992 to produce 85 persons with qualifications, and in 1993 about 200. This course is run by the Commercial Schools of Lisbon and Oporto, and by the Technical, Art and Professional Institute in Coimbra. The course components include mathematics (384 hours), economics (288 hours), Portuguese and foreign languages (English and French, each 288 hours), and a period of practical work (720 hours).

The course leading to a qualification in commercial services, is expected to yield 110 qualified people in 1992 and 260 in 1993. This course may involve a specialist aspect such as foreign trade – for example at the R. Dória Vocational and Foreign Trade School in Oporto, the A. Sérgio school in Setúbal and the School of International Trade in Lisbon – or regional development as at the "Noroeste Pioneira" school in Viana de Castelo. Courses without such specialization are run at Torre de Viseu, Braga, Chaves, Leiria, Barcelos, Lisbon and Oporto.

Courses mainly include mathematics, marketing and sales, commercial activity and a foreign language (360 hours each) and management (420 hours).

Courses at apprenticeship level and for the service sector include those for administrative clerk, receptionist, salesman and supermarket assistant. These courses, which last three years, are equivalent to completion of the ninth school year. Students attending the administrative clerk and salesman courses may attend a specialized course lasting three months in order to qualify as secretary, book-keeper or technical sales assistant.

6.3 Vocational training outside school

Vocational training courses outside school for commerce and trade only took concrete form in Portugal in the second half of the eighties. The comparative stagnation until then was due to a variety of reasons, principal among them being:

- the large number of firms and the predominance of very traditional management methods;
- the low educational level of employers and middle managers;
- a low awareness of the importance of training for the development of commercial firms;
- the decision in the seventies to stop teaching commercial subjects within the formal educational system, which impeded development and the comparison of this kind of education with other methods being used or tested that were more designed to encourage development.

Portugal's decision to join the European Economic Community in 1986 was fundamental to the gradual reversal of this situation. A greater dissemination of information, the increased competition resulting from the development of large stores and distribution centres, the application of new technologies, more demanding consumers and the financial support provided for vocational training all combined to provoke changes in every area of this sector in Portugal.

As a corollary of this new reality, companies – particularly those that were larger and more dynamic – began to create their own training structures. An agreement concluded between IEFP and CCP on the one hand and IEFP and UGT on the other resulted in the creation of the Vocational Training Centre for Commerce and Allied Occupations (CECOA) and the Vocational Training Centre for clerical, trade and service-sector workers and those employed in new sectors of technology (CITEFORMA). These centres have their own legal personality and are administratively and financially autonomous; their purpose is vocational training.

CECOA's activities cover the whole country; its head office is in Lisbon and it has two branches in the north (Oporto) and centre of the country (Coimbra). It promotes and itself carries out basic and further training courses as well as taking part in various EC vocational training projects. CECOA generally works on the basis of collaboration with bodies directly involved in commercial activity, such as associations of wholesalers and retailers and trade federations. The following table should assist a better understanding of the importance of CECOA for vocational training in the Portuguese wholesale and retail trades:

Year	1987	1988	1989	1990	1991
Courses	140	1,080	1,670	1,950	240
Hours	2,372	24,084	51,322	81,125	130,409
Students	51	1,437	2,047	2,920	10,321

Source: CECOA, 1991

In 1987, CECOA gave priority to vocational training courses for purposes of qualification and further training, concentrating on training for trainers and technical assistants. In this same year it organized its first information meetings in conjunction with the trade associations in Lisbon and Coimbra. As a result a number of associations concerned with vocational training were formed.

In the following year, CECOA evolved a strategy centred on three areas designed to meet differing needs – namely retraining, further training and qualification and apprenticeship courses for young people. Several retraining courses were organized, including one on new management techniques for small and medium-sized companies, which was well supported by the trade associations.

Several qualification courses were run for young people with the major objective of encouraging the employment of young people in trade. The courses dealt in depth with theoretical and technical subjects and also included on-the-job training. Also in 1988, CECOA initiated an apprenticeship training programme.

1989 brought a significant increase in the number of courses organized as well as involvement of various trade associations. There was also a marked increase in courses dealing with the use of computers, pointing to the growing familiarity with new technology of both employees and employers. Also worth mentioning are the efforts made at association level to promote an awareness of the need to modernize the wholesale and retail trade and to involve associations more directly in improving the quality of courses offered. Special attention continued to be given in 1989 to the initial qualification of young people, reflecting the sector's concern to lower the age level of its workforce.

1990 saw a diversification of the training provided by CECOA as demand from both employees and employers rose. Courses organized ranged from computer science to company management, merchandising, training sales staff and languages (particularly English). At the same time, CECOA continued to organize information meetings in collaboration with the associations, with the aim of spreading awareness of the need for vocational training and involving them more in its activities. It also continued to train young people in search of their first job and assist them in finding a placement.

In 1991, CECOA concentrated on the training of people already in work, developing and extending some of the activities begun in 1990. By this time there were some private organizations running vocational training courses for the trade sector in parallel with CECOA and CITEFORMA.

6.4 Recruitment

Commercial education in Portugal dates back to 1759, undergoing several reforms before it was abolished in 1975/1976. Then began the unified educational system, which no longer differentiated between commercial and industrial education and the more academic courses for those intending to proceed to university. It will be remembered that commercial education at secondary level afforded access to the commercial institutes, which in the meantime had become the Higher Institutes of Accountancy and Administration.

The abolishing of commercial courses in Portuguese schools from then onwards, plus the absence of any kind of alternative, is generally considered one of the main factors impeding modernization of commerce in Portugal.

Indeed, the lack of commercial education not only inhibited the build-up of a "critical mass" in this sector but also hindered the development of courses designed to meet the need for modernization resulting from the growing number of large retail outlets,

increased consumer spending, the use of new technologies and, finally, from internationalization.

The situation changed noticeably from the second half of the eighties onwards with modernization and vocational training developing in parallel and influencing each other.

The short time that has elapsed since the implementation of many of the main vocational training measures described preclude for the time being any assessment of the impact of the new courses on the retail trade and vice versa. Nor does it permit any assessment of the development of basic and further training within the firms themselves. We do not even have any data enabling us to conclude whether the young people who have completed a ninth year of vocational training and the commerce, commercial services or technical courses in the tenth and eleventh year actually find employment in the wholesale/retail trade. All we know is that optional commercial courses of this kind account for 30% of the total number of ninth-year students and 20% of those in their tenth and eleventh years.

An analysis of actual cases shows that, for people setting out on a career, employers look for young people with no experience but with at least nine years of schooling or equivalent (Case Studies A and B).

In recruiting store managers where experience used to be given preference, there is now a tendency to prefer people with higher qualifications, such as graduates in commercial or management subjects.

However, the general situation plus working conditions tend, when unemployment is low, to make it difficult to recruit staff with the desired qualifications. Provision of basic training through a system of apprenticeship and further training is for many companies the only way to enhance skill levels on recruitment.

SECTION 7 – INTRODUCTION TO CASE STUDIES

1.

1. Our analysis of the retail trade's development underlined the relative unimportance attached to vocational training in Portugal generally and in the retail trade in particular until the second half of the eighties, despite the low educational level of employees and the cessation during the seventies – without the provision of viable alternatives – of the commercial courses that had hitherto formed part of the formal education system and which had been the traditional source of the retail sector's workforce.

The disregard for vocational training can be explained by a number of factors, viz.

- the low educational level of employers themselves and their supervisory personnel, plus adherence to old-fashioned methods of management;
- the small size of most firms, with no qualified managers nor the financial means to set up training schemes;
- the lack of any government tax or financial incentives to encourage vocational training in firms;
- the limited competition in the retail sector due to low levels of consumer spending (which, however, picked up from the second half of the seventies onwards);
- the high rate of unemployment, particularly among young people and female workers.

The faster pace of change in the commercial sector in the second half of the eighties was the result of several factors¹⁶¹, combined with community and national government assistance for vocational training and decreasing unemployment, caused greater importance to be given to vocational training. On the other hand, it would be wrong to conclude that vocational training acquired priority or even greater significance for management in many Portuguese firms, let alone the retail sector. The management of human resources itself is generally restricted to the day-to-day management of staff. The case studies, therefore, can assist a first assessment of the importance given nowadays to vocational training – thus of whether it is seen as a real necessity or whether it is merely a popular subject for political speeches or has come to the fore because of the availability of substantial government or Community assistance.

2. If vocational training is viewed as a necessity, how has this come about? Is it because the economic environment has become more competitive? Or because new technical equipment is being introduced? Or because consumers have become more demanding? Or, perhaps, because of the need to motivate the workforce and enhance their identification with the firm so as to reduce staff turn-over at a time when unemployment in Portugal is on the decrease?

How can this stress on added skills and motivation be reconciled with existing working conditions – low wages, long working hours, limited career prospects and the like? Will vocational training lead to better working conditions?

How, in short, do training strategies and structures fit in with firms' development strategies from the economic, technological and social point of view, or with employees' professional and personal aspirations?

3. As already pointed out, although the role played by the social partners in vocational training has in the past been very modest, recent years have brought a gratifying change, reflected particularly in the signing at the level of the Permanent Council for Social Agreement of an agreement specifically concerned with vocational training.

It is important in this context to know how far these changes are being felt at individual firm level, to what extent vocational training can help to promote social dialogue, and whether employers are involved in designing training strategies and programmes.

¹⁶¹ Worth mentioning are the challenges presented to the sector by foreign investment, internationalization and growth in consumer spending; the emergence of groups that are higher spenders and more quality-conscious; Portugal's membership of the EC and the financial assistance made available for modernization by the EC and the state, and – finally – the advent of new technology.

PART 2:



- 1. Case Study A**
- 2. Case Study B**
- 3. Case Study C**
- 4. Case Study D**

1. General description of the firm

This is a public limited company (*sociedade anónima*) with a share capital of PTE 2 000 million, raised in Portugal. The company was formed in 1980, and retails a variety of products, depending on the geographical location of its stores, their size and the seasons of the year⁽¹⁷⁾. However, its main business is in foodstuffs, hygiene goods and cleaning products. It thus falls into group 6201.1.0 of the Portuguese Classification of Economic Activities (CAE), supermarkets and hypermarkets.

The firm has its headquarters at Frielas, some 20 km from Lisbon and in 1990 had 51 more stores situated in Lisbon (14), and the Setúbal (9) and Oporto (10) districts, the remainder being spread in towns throughout the country, particularly on the north and central coast. It now has 58 stores and 1534 employees. Store size and hence the number of staff vary considerably between 2 1/2 people for smaller stores and 140 for the larger ones.

The firm's organizational structure is composed of the administration with two directors (one of them the president) and five departments: administrative services, expansion and maintenance, finance, sales, staff and training, all based at headquarters. In the north, and depending directly on the administration, is the Oporto Division, headed by a general manager. This division is composed of autonomous sections of the departments already mentioned (there is no procurement department) with which they are linked.

Each store is usually headed by a store manager. The liaison between the store and the various departments (or sections) is the responsibility of supervisors. At present the company has 3 supervisors in Lisbon, 3 in Oporto/North and one in Coimbra/Central. The stores are managed according to pre-established standards, with the manager's function more or less limited to administration or staff matters (checking presence and absences, working hours, and so on) or sales (control of input and output of goods, fixing individual profit margins for perishable products, depositing receipts with banks etc.). The resulting information is forwarded daily to the appropriate departments. The manager does not decide what product lines the stores will carry, nor is he responsible for procurement. The larger stores have more than one store manager, the smaller ones have only one and a manager's assistant to assist and deputize for him.

Work organization varies considerably according to store size. The variety of jobs performed by individuals is much greater in smaller stores whereas in larger stores generally speaking only the category of supermarket assistant or equivalent is called upon to perform a variety of tasks.

2. Brief history of the firm

The creation of this firm took place in the context of the modernization of retailing that began in Portugal in the early sixties with the appearance of the first supermarkets. Moreover, it came into being at a time when Portugal was witnessing a sharp increase in consumer spending due either to the direct or indirect increase in family incomes or to a change in traditional saving behaviour, particularly in the case of young people of middle class. The firm's strategy for expansion and growth largely followed con-

sumers' increased propensity to spend, particularly in the case of the middle classes.

The first three stores opened about 11 years ago in the lower and middle-class dormitory areas outside Lisbon – Amadora, Queluz and Barreiro. In the following year it expanded into the centre of Lisbon – another middle-class quarter – and to Oporto, where it opened four stores. From then until now it has not stopped expanding, the average growth being 45% a year⁽¹⁸⁾.

To enable it to negotiate more effectively, the firm decided to acquire interests in wholesaling companies and to join other firms in a centralized buying organization. It also established a large-scale retail firm, which resulted in the opening of a hypermarket in 1989. The firm also encouraged others to form an association which now numbers five wholesalers, an insurance broker, an advertising agency, a producer of deep-freeze products, a real estate agency, and a furniture and domestic appliance firm. This does not include the retail hypermarket firm to which we have already referred.

In view of the increased competition resulting from the opening of new supermarkets over the past three years, from changes in consumer behaviour and from the preferences evinced by various customer groups, the firm decided to give priority to investment in large stores and stores located in shopping centres. It also in 1987 established a chain of discount stores, for which it uses 11 of its smallest stores.

The greater demands being put on the retailers in terms of management, flexibility and adaptation to market preferences clearly call for an information system enabling decisions to be made and the appropriate response made promptly. This led the firm to embark on technical modernization. Eight of the new stores already have electronic cash registers with scanning systems linked to computers and with magnetic card reading systems. The possibilities opened up by this equipment for computerization of stock management, sales control, linear display organization, identification of consumers' preferences, and electronic funds transfer, to mention but a few, are as yet under-exploited because of the lack of staff possessing the necessary skills.

Investment in buildings and equipment in recent years was PTE 600 million in 1987; PTE 610 million in 1988; PTE 980 million in 1989 and PTE 200 million in 1990⁽¹⁹⁾.

The firm invested about PTE 20 million in new technology in 1989, PTE 30 million in 1990 and PTE 90 million in 1991. While substantial, these sums were only sufficient for a modest level of technical modernization.

⁽¹⁷⁾ For example, beachwear and related goods in shops near the seaside during the summer, and toys at Christmas time.

⁽¹⁸⁾ Report and Accounts, 1988.

⁽¹⁹⁾ Report and Accounts: 1987, 1988, 1989 and 1990.

3. Personnel

The firm's steady expansion over the years meant strong growth in the number of employees. The following table traces development over the past 5 years:

Year	Total	Women	Men	Percentage of women
1987	913	497	416	54%
1988	1204	713	491	59%
1989	1261	798	463	63%
1990	1502	956	546	64%
1991	1534	999	535	65%

Age	1987	1988	1990
18 or under	5.1	6.6	6.6
19 - 30	64.8	63.8	62.8
31 - 45	24.3	24.8	25.8
46 - 65	5.8	4.9	4.7
Average	28.1	27.9	28.2

- The firm's high staff turnover; The high percentage of people on a fixed-term contract; the low average figure for service with the firm; the relatively high number of departures each year.

Clearly the most significant growth is in the number of female employees. Sex distribution is heavily weighted in favour of women, outstripping the sector average of 49%.

However, before embarking on a more detailed analysis of the workforce it would be useful, because of the obvious link, to refer to some aspects of the firm's recruitment policy.

Except for certain jobs such as that of butcher's assistant, baker etc. of which there is a severe shortage of qualified people, the firm prefers to employ young people looking for their first job, with no work experience. Such recruitment is usually on the basis of a six-month contract, which may or may not be renewable - as an apprentice if the person is under 18 or as junior supermarket assistant (according to the designation in the collective agreement - that of the firm is "self-service operative") if he is over that age. The person is normally given a permanent job after a year or a year and a half, but frequently this does not happen.

This policy for selecting and recruiting new employees and the fact that the job is regarded as less prestigious - mainly on account of the poor working conditions - explain:

- The heavy weighting of young people in the overall workforce. As the table shows, the average age is around 28, while 70% of workers are aged 30 or under.

	1987	1988	1989	1990
Staff turnover	0.64	0.58	0.47	0.60
Additions to firm's workforce	7	1	12	5
Increase in fixed-term contracts	464	806	761	730
Percentage of fixed-term contracts (31 Dec.)	52.9	48.6	45.3	47.9
Fixed-term contract rate	47.0	31.2	29.6	44.4
Average years' service	2.3	2.1	2.4	2.2
Voluntary departures	29	57	13	95
Departures on expiry of contract	124	229	716	300
Departures before end of contract	104	0	0	106

It should be noted that fixed-term contracts for this sector totalled 11.5% in 1987, 16.8% in 1988, 18.4% in 1989 and 16.4% in 1990.

The nature of the firm's activity means that the job of supermarket assistant predominates. On 31 January 1992 this category accounted for 65% of the total workforce. Workforce breakdown by employee category is as follows:

Senior managers	2
Directors	4
Purchasing manager	7
Service managers	9
Admin. clerks	40
Book-keeper/clerks	5
Sales supervisors	7
Store managers + operative managers	56
Supermarket assistants	992
Kneaders + ovenmen + bakers	26
Drivers	26
Butcher's assistants	108
Apprentices and juniors	30
Other (cleaners, storemen, etc.)	222
TOTAL	1,534

On the other hand, the heavy weighting of supermarket assistants in the workforce as a whole and their subsequent inclusion as semi-skilled personnel in the structure of skills drawn up for statistical purposes by the Ministry of Employment and Social Security – due to their permanent employment on the basis of a collectively negotiated contract – explains the heavy emphasis on this skill level in the firm's own structure.

The sharp decrease in unskilled personnel in favour of semi-skilled personnel between 1989 and 1990 as shown in the table is not especially significant because it is the result of a revision of the place of assistants in the staff qualification structure. The only point of interest is the reduction in the weighting of store managers and equivalent that has resulted from the decision to close down smaller stores.

Breakdown of employees by qualification level (Figures on 31 December)

QUALIFICATION LEVEL	1987		1989		1990	
	No.	%	No.	%	No.	%
Senior managers	7	0.8	6	0.5	6	0.4
Middle managers	11	1.2	14	1.1	18	1.2
Store managers etc.	72	7.9	63	5.0	70	4.7
Highly skilled personnel			7	0.6		
Skilled personnel	114	12.5	187	14.8	186	12.4
Semi-skilled personnel	167	18.3	243	19.3	989	65.8
Trainees + apprentices	54	5.9	66	5.2	56	3.7
TOTAL	913	100	1204	100	1502	100

The information provided by this table regarding the nominal skills of the firm's employees shows the lowest skill levels to be most heavily weighted. Semi-skilled and unskilled account together for 77.6% of the total. This, added to the percentages for skilled personnel, make up 90% of the total. This situation is very different from the average for the sector; there skilled personnel account for almost 50% of the workforce with unskilled and semi-skilled together representing only 30%.

Although not good, the pattern of qualification levels in the firm's workforce is not too bad when seen from the point of view of actual worker qualification. The educational level in the firm is slightly higher than the sector average, although about 60% have only 6 years of education or less.

One of the negative consequences of low qualification levels is a natural tendency to refuse to adapt to new technology or new kinds of work organization. These effects are multiplied when, as in the case of this firm, such attitudes are held by people with responsibility for coordination or management, especially when the firm views technical modernization as a strategy for steady expansion and increased competitive ability. This is one of the worst problems facing the firm at present: 14% of sales supervisors, 47% of store managers, 22% of operative managers and 42% of skilled operators, have had only 6 years of education or less. 53% of sales supervisors and store managers, 39% of operative managers and 70% of skilled operators have not had 9 years of schooling, thus have not completed their general secondary education.

Breakdown of employees by educational level

EDUCATIONAL LEVEL	1987*		1989*		1991**	
	No.	%	No.	%	No.	%
Less than 6 years	321	35.2	428	28.5	413	26.9
Elementary school (6)	228	25.0	505	33.6	536	34.9
Gen. Secondary (9)	432	37.5	374	24.9	418	27.2
Complementary Sec.Ed. (11)	18	2.0	190	12.6	120	7.8
Middle/ Higher Sec.Ed.	1	0.1	1	-	2	0.1
Degree	3	0.3	4	0.3	4	0.3
Unknown	-	-	-	-	41	0.7
TOTAL	913	100	1502	100	1534	100

* As of 31 December

** As of 31 January

Educational level at main levels of responsibility within the firm (in %)

Type of job	Primary (4)	Prep (6)	Sec.Gen. (9)	Comp. Second (11)	Tech. Sec. (9)	Degree (12)
Administration				50		50
Manager				25		75
Department heads		8	33	17	33	
Clerks		13	38	35	15	
Cashiers/ Clerks		20	40	40		
Supervisors	14	29	43	14		
Store managers	47	5	8	11		
Oper. managers	22	17	33	17	11	
Skilled operators	42	28	13	4	9	
Assistants/ juniors	17	38	33	9		

4. Working conditions and labour relations

Stores normally open at 9 a.m. and close at 8 p.m. from Monday to Saturday with no midday break. However, this does not apply everywhere. Stores located in shopping centres open from 10 a.m. to 10 p.m. daily. Others keep normal hours (9 a.m. to 8 p.m.) but do not close on Sundays.

Of course store opening hours are not the same as staff working hours. Stock replacement, arranging displays of fish and meat, and baking and packing bread, for example, have to be done before the store opens. Moreover, the long opening hours call for shift working. Thus, some people begin at 8 a.m. and leave at 6 p.m. while others work from 9 a.m. to 7 p.m. and others again from 10 a.m. to 8 p.m. with 2 hours break for lunch. This makes a working week of 44 hours: 8 hours on Monday to Friday and 4 hours on Saturday. Clerical and other office staff work 40 hours as laid down in the collective agreement currently in force. Other workers have contracts specifying shorter working hours: 2.9% in 1987 and 4.1% in 1990 had this kind of contract.

WORKING HOURS	1987		1990	
(on 31 December)	No.	%	No.	%
Normal	818	89.6	1441	95.9
Flexible	69	7.6	-	-
Reduced	26	2.9	61	4.1

A breakdown of the workforce on the basis of hours worked per week shows that only around 10% work less than 44. This is because the company's needs at any given time determine the hours specified in contracts.

WORKING HOURS	1987		1989		1990	
(on 31 December)	No.	%	No.	%	No.	%
44	818	89.6	1150	91.2	1360	90.6
40	69	7.6	80	6.4	81	5.4
36					1	
30	30	2.2	8	0.6	14	0.9
24	24	2.6	12	1.0	12	0.8
22			4	0.3		
18			7	0.6		
16					31	2.1

The firm has to ask for overtime, which in 1987, 1989 and 1990, represented 0.2%, 0.3% and 0.2% respectively of total wages. It has also instituted a system of bonuses and incentives, which in 1987, 1989 and 1990 represented 9.2%, 5.7% and 6.4% of total wages respectively.

Current conditions of employment are in general similar to those laid down in the collective agreements for the wholesale and retail trades negotiated between the employers' associations and the unions. Although the unions are interested in concluding an agreement specifically covering the supermarket sector, as yet no such agreement exists.

Nor has any agreement been concluded specifically for this firm because there is neither a union branch nor a staff council to represent employees. As is natural where there is both a very young workforce and a large proportion of fixed-term contracts, the rate of unionization in the firm is very low - 6% in 1987, 4% in 1988 and 1989 and 3% in 1990. On the other hand, there is no record of industrial disputes or strikes and the annual number of disciplinary proceedings is insignificant. Productivity is high and has increased sharply in recent years. Thus between 1989 and 1990 sales per employee rose by about 9%. The net wages differential in the firm is around 4.4% (1990 figures).

Under the collective agreement employees are entitled to

- 22 days of paid holiday per calendar year;
- Freedom to organize union activities within the firm;
- Join the firm as apprentice or junior assistant depending on whether the person concerned is under or over 18;
- Automatic promotion from apprentice to junior assistant on reaching the age of 18 and from junior assistant to assistant after three years in that category. The firm also promotes on merit, as the figures below show:

Type of promotion	1987	1988	1989	1990
Under contract	100%	84%	83%	97.8%
On merit	0%	16%	17%	2.2%

- A basic minimum wage and a displacement bonus when the worker is sent outside his normal working area: the firm's salary scales are relatively high;
- Christmas bonus equivalent to one month's wages.

Comments on problems

While this analysis shows the firm's conditions of employment to be not very good, they are little different from those of the rest of the sector: long working hours, week-end work, low salaries and little job security. Such conditions give work in larger stores and, indeed the retail trade in general, a negative image. This and the policy of employing people on fixed-term contracts makes for a high rate of staff turnover and while unemployment is slowing down makes it increasingly difficult to find and keep skilled workers. Hence the fairly low level of qualification.

High staff turnover and the low level of education of managerial staff reduces the potential benefits to the firm of the vocational training it provides.

5. TRAINING

5.1 Policy and scope of training

As the analysis of the workforce shows, there is a marked lack of skills.

At a time of rapid expansion the firm is struggling with a number of different problems simultaneously: recruitment of skilled workers willing to use new technology and ensuring they stay with the firm, staff retraining and training - both generally because of the low educational level and for specific purposes related to the appearance of new products on the market and, which is more important, training connected with computerization and the more or less explicit rejection of new methods of management and work organization.

To deal with these problems the firm decided to create a vocational training department. This is shown separately in the firm's organization chart and is specifically responsible for continuing vocational training. The department is headed by a director who reports direct to the general management and works in close collaboration with the personnel department. Its task is to define the policy for vocational training and to plan and coordinate it. Employees are in no way involved in deciding vocational training policy. As already mentioned, the firm is not unionized, nor is there a staff committee. However, the department is open to suggestions either from employees or from the various managers. Moreover, when a training course is being organized, plans have to be made for the temporary replacement of those taking part, as training courses are held during normal working hours.

Given the problems to which we have referred, the firm's vocational training policy has three main objectives:

- a general basic training both for the young people already having a contract of employment with the firm but also for young people from outside who, after training, will be given preference when the firm is recruiting;
- retraining of personnel already employed by the firm in order to help them adapt to the changes taking place in the retail trade generally and the firm in particular;
- training in the use of new technologies in commerce, such as computerized stock management, sales control, etc.

Several training programmes with the first two objectives have already been organized and training in the use of new technologies has been partly in-

corporated in these. More systematic courses on computerization are planned for the current year. Almost all training courses are in-house, although it is sometimes necessary to use external trainers. Recourse is had to external training courses organized either by employers' associations or by other firms or other training bodies when the number of people requiring training is very few or when the cost of training makes it worthwhile. This is mainly the case for senior and middle-management training.

Vocational training began to be carried out more systematically from 1986 onwards thanks to the impetus provided in Portugal by community assistance. The percentage of people taking part in internal and external training was 11.6% in 1988 and 13.4% in 1989. In these years training costs accounted for 7.0% and 8.3% respectively of total wages⁽²⁰⁾, PTE 39,706 million and PTE 77,765 million. More than half the costs were covered by subsidies, either from the government or the European Community.

The following table shows the number of employees who took part in training programmes from 1987 till 1991 and the number of hours involved.

These training courses, planned to form part of a continuous training programme, were especially designed for those occupational groups which the firm's strategy of development showed it to need most - namely the self-service assistants (less skilled people with repetitive, less creative and less motivating tasks) and store managers and other supervisory personnel. The latter group is normally composed of people with considerable experience but low educational qualifications who have difficulty coping with the new economic and technical challenges made on them by their work. While not the determining factor, the frequency of training courses aimed at career furtherance is important.

⁽²⁰⁾ Calculated on the basis of company account figures

year	Total no.	In-house training	Outside training	In-house training hours	Outside training hours	Total
1987	90*	90*		18,900*		
1988	148	148		542		542
1989	132	126	6	75,600	256	75,856
1991	100	100		300		300

* Includes young people employed and not employed by the firm

5.2 Impact on training of new technologies, consumer legislation, internationalization, etc.

There is a close relationship between the process of modernization of the firm - which is lent impetus by the modernization of the retail trade sector generally - and the vocational training policy as we have analyzed it. Moreover, one can even say that it is modernization that has triggered the development of vocational training. Training policy is therefore the result of:

- the need to react to the increased competition brought about by the opening up of the Portuguese economic area to foreign investment, particularly once Portugal joined the European Community;
- the introduction of new technology such as point-of-sale scanners linked to magnetic card reading equipment or stock management and sales control systems, etc.;
- the need of more demanding consumers for more information and greater personal attention;
- the need to keep up-to-date with changes in legislation, whether concerning collective agreements on working conditions or consumer protection (product labelling, price fixing, etc.).

5.3 Involvement of the social partners in training policy

Although Portuguese legislation provides for employee organization and representation (through union branches and staff councils), these have no tradition of involvement in determining company policy in general, and training policy in particular. High staff turnover and the relative youth of the workforce explain the non-existence of any form of employee representation. As already mentioned, the firm applies the collective agreement negotiated between the union organizations and the employees' associations for the wholesale and retail trades⁽²¹⁾ and training policy remains the responsibility of the firm's management alone.

5.4 Description of main training courses and programmes

As the sectoral analysis has shown, one of the main results of government efforts to remedy the problem of low worker qualification in recent years was the introduction of training programmes from 1985/76 onwards and, as part of the training subsystem, of a basic apprenticeship course aimed particularly at young people leaving school after six years and wishing to acquire a vocational qualification.

These apprenticeship courses are based on a sandwich training system and last three years, at the end of which those concerned are awarded a certificate of qualification equivalent to that marking completion of the ninth year of schooling.

Since this training programme is designed to fulfil the first objective of vocational training mentioned, namely recruitment, the firm in 1986 associated itself with the vocational training scheme and took responsibility for the management and monitoring of the "self-service operator" course. This course has a theoretical and a practical component and lasts

three years, with 1800 hours a year. The curriculum is very extensive: basic accounting, interpersonal skills, hygiene and cleaning, safety of people and goods, display and replacement techniques, commercial and tax legislation, introduction to work organization, computerized management systems, sales psychology, etc.

The firm also joined another programme for the vocational training of young workers entitled "Integration of Young People into Working Life" (IJOVIP) and organized at the "self-service operator" level. It ended up by recruiting all those who completed the course successfully - 60% of the 46 young people that began it in 1989, 85% of the 35 in 1990 and 62% of those who did the course in 1991. This course lasted 120 hours and covered the history of the firm, introduction to personnel management, European integration, introduction to labour legislation, introduction to quality management, hygiene and industrial safety, display and replacement techniques, sales promotion and pricing.

All in all, the firm has over the past three years trained 200 young workers from outside the firm under this basic vocational training programme - equivalent to more than 100,000 hours of theoretical and practical training.

We turn now to courses forming part of continuing vocational training. With support from the European Social Fund the firm has developed a second group of courses aimed at young people already in its employment. These included "self-service operator" and "butcher's assistant" courses. They were held in various towns in Portugal. The first course comprised the following modules:

- Module 1 - Display and replacement techniques
 - general notions
 - linear display
 - the customer's chart
 - shelf display
 - goods ticketing
- Module 2 - Sales promotion
 - general notions
 - special promotions
 - in-store promotion
 - commercial information
- Module 3 - Accounting
 - capital
 - inventory
 - accounts
 - the double-entry system
 - journals
 - ledger
 - contra entry
 - balancing
 - book-keeping
- Module 4 - Accounting mathematics
 - averages
 - proportionality functions and their applications
 - simple interest
- Module 5 - Serving the customer
 - interpersonal communication
 - marketing and sales
 - sales techniques
 - sales preparation and programming
 - selling
 - self-service selling

⁽²¹⁾ The firm is a member of the National Association of Supermarkets

Module 6 – Use of computers, management of self-service stores
 general introduction
 computer basics
 information processing and standardization of printed material and circuits
 computerized cash registers
 computerized accounting and programming

Theoretical training in the second course touched on matters such as: hygiene, characteristics of meat and meat marketing, relevant legislation etc. These courses aimed to give students a broader view of the firm and their work for it, as well as providing specific vocational training.

A third group of courses was especially directed to the retraining of older store managers, supervisors, other senior staff and supermarket assistants. The most ambitious course in this group was organized in 1991, and attended by about 100 people. It covered 30 hours' tuition and attendance was compulsory for store managers. Questions dealt with included the internal organization of the firm (hierarchical structure, marketing and merchandising, inhouse standards, circulation of documents, policy of expansion etc.), applied accounting, use and maintenance of equipment and relevant commercial and industrial legislation. A series of courses is planned for this group and for the firm's management to help them adapt to computerization.

6. ANALYSIS OF A PARTICULAR STORE

This store is situated in an essentially middle to upper class residential area of Lisbon. The premises comprise both a basement and ground floor, of which only the latter – covering an area of some 700 square metres – is used for trading. This is regarded as a medium-size store, as its sales volume ranks second for stores in the Lisbon area. The range of products sold is more or less the same as in the other stores of the same size, i.e. foodstuffs and hygiene and cleaning products. The store was first opened in 1987 and has only recently begun closing on Sundays. It now opens from 8.30 a.m. to 8 p.m. on Monday to Saturday.

The store has its own computer terminal linked to the firm's head office, via which data concerning the store's day-to-day turnover is transmitted – sales receipts, stock turnover etc.. The cash desks are still of the conventional type but have been adapted to permit magnetic credit/cash card purchases.

The store has 27 employees, all of them established. The breakdown is as follows:

CATEGORY	SEX	AGE	QUALIFICATION LEVELS
Store manager	F	47	B. Preparatory
Specialist assistant	F	29	B. Preparatory
Specialist assistant	F	34	B. Primary
1st class assistant	F	28	B. Preparatory
1st class assistant	F	30	B. Preparatory
1st class assistant	F	35	B. Primary
1st class assistant	F	28	General sec.
1st class assistant	F	22	B. Preparatory
2nd class assistant	F	24	Compl. sec.
2nd class assistant	F	25	B. Preparatory
2nd class assistant	F	30	General sec.
2nd class assistant	F	36	B. Preparatory
2nd class assistant	F	58	B. Primary
2nd class assistant	F	27	B. Primary
Junior asst. (3 years)	F	20	B. Preparatory
Junior asst. (3 years)	F	22	General sec.
Junior asst. (3 years)	F	22	Compl. sec.
Junior asst. (3 years)	F	39	B. Primary
Junior asst. (2 years)	F	22	B. Preparatory
Junior asst. (1 year)	F	19	B. Preparatory
Junior asst. (1 year)	F	19	B. Preparatory
Cleaner	F	33	B. Primary
Cleaner	F	33	B. Primary
Butcher's asst.	M	34	B. Primary
Butcher's asst.	M	48	B. Primary
Butcher's asst.	M	23	B. Preparatory
Butcher's asst.	M	33	B. Preparatory

In this store, as elsewhere, lower-skilled, young, female employees predominate. Four of the female employees have attended one or even more than one of the firm's training courses. Moreover they were promoted to their present positions after attending the training courses.

Employees' working hours are as already stated: two hours' break for lunch and staggered working periods.

7. ASSESSMENT

7.1 By the firm

The firm sees training as necessary because of the lack of young, skilled workers of good appearance, because of the low educational standard of medium-level personnel, of the need for a lower rate of staff turnover, and also for a more motivated staff, trained and ready to make best use of computer systems and fully conversant with the firm's position and objectives.

While the firm takes a positive view of the training already carried out, it considers that efforts should be stepped up, particularly in the case of supervisory, technical and administrative staff and in the field of computerization.

7.2 By the employees

Very positive. Training helped to increase employees' knowledge of the firm in general and of the working tools available. In addition it altered their conception of their relationship with consumers. However, employees with a higher educational level expressed some dissatisfaction at not being able to use much of the knowledge acquired in the training courses, particularly in the area of accounting.

7.3 By the authors

The firm is taking on a great many employees as it goes on expanding and takes advantage of the initial training being given to young people in order to select those better suited to its plans for development. At the same time training increases the knowledge of sales assistants and supervisors both as regards the firm's organization and performance and as regards equipment used and products sold. It thus prepares them not only to occupy more responsible positions and improve relationships with other employees and the general public, but also avoids or reduces job dissatisfaction and, consequently, high staff turnover. The firm therefore organizes several training programmes especially aimed at the initial training and retraining of semi-skilled personnel, supervisors and the like. In our opinion, there is a close link between vocational training, personnel policy and the firm's objectives of modernization and expansion.

The programmes seem to be appropriate to their purpose. However, we regard it as vital that the firm fulfils its intention of improving working conditions, among other things by raising wages, introducing more effective employment contracts and reducing working hours so as not to lose what it has gained by training. It is also important that the firm consider questions of work organization, particularly as regards a greater vertical distribution of tasks as a

means of involving and motivating employees. Making their work more varied would overcome the dissatisfaction of some employees because of the impossibility of putting knowledge derived during training to practical use. We endorse the firm's opinion regarding the need to step up training activity concerned with the introduction to new technology.

On the other hand, the idea of external training to meet specific needs and of internal training to cover the majority of the firm's training requirements seems to us very appropriate.

8. TRANSFERABILITY

The combination of internal and external training courses makes this model particularly interesting for medium-size firms.

9. PERSONS INTERVIEWED

Director of the vocational training department

Store manager

Head cashier

Self-service operator

Brief fact-finding contacts with other employees.

1. GENERAL DESCRIPTION OF THE FIRM

Firm B is a private limited company (sociedade por quotas) formed in 1977 with a capital of PTE 1 million. Its headquarters are in Sacavém, some 10 km from Lisbon.

The firm's creation was the result of exploiting synergy generated by the group of firms to which it belongs, in the magazines, books and stationery sector. It therefore falls into group 6209.2 of the Portuguese Classification of Economic Activities (CAE) – Book and Stationery Shops.

The group of firms to which firm B belongs was formed in 1946 and now includes 27 firms with a total of about 900 employees and a cash flow of PTE 15 billion in 1991. The group's activity centres on the wholesaling of the goods already mentioned, as well as chocolate, tobacco and the like. It covers the whole country, with the accent on large towns and places where a great many people tend to circulate – thus airports and tourist centres.

Apart from its presence in Portugal, the group has expanded abroad and has had a presence in the Brazilian market since 1978, in Spain since 1988, and in the Portuguese-speaking African countries since 1965.

1.1 Brief history of the firm and recent development

The firm currently has 23 stores in and around Lisbon and Oporto, in the Algarve and on Madeira. Its period of strongest growth was the second half of the eighties. Its strategy involves establishing outlets to exploit the distribution capacity of the other firms in the group.

1.2 Structure

The number of stores increased markedly from 1988 onwards as the following table shows:

Years	No. of stores	%
1986	7	–
1987	9	+ 28
1988	13	+ 44
1989	16	+ 23
1990	23	+ 43

This growth is clearly linked to Portugal's improving economic situation, which led to a growing number of publications and to the improvement in the purchasing power of certain segments of the population. There is, however, another factor to be considered, namely the segmentation and modernization of sales outlets as Portuguese trading activity gathered pace. The innovations in such areas as product display and store design here reflect this trend, as well as a growing differentiation in consumer preferences, that became particularly noticeable in bigger towns and in the main tourist centres, such as the Algarve, as is shown by the following table:

Area	No. of stores	%
Lisbon	14	60.9
Oporto	2	8.7
Algarve	6	26.1
Madeira	1	4.3

Most of the stores – 60.9% of the total – are concentrated in Greater Lisbon, where they are situated in the most populous quarters and also in the vicinity of other shops, as in the case of the Amoreiras and Cascais shopping centres. The remainder are spread around areas such as the airport or places where commercial and service activity tends to be focused.

The Algarve – with 26.1% of the total number of stores – is the second-largest area of concentration. There are two stores in Faro, as well as in Albufeira, the others being in Vilamoura and Portimao.

As far as the firm's organization is concerned it forms part, as already mentioned, of a group of 27 firms, headed by a general manager.

On the work organization side, the administrative department is responsible for all the firm's accounting while the commercial department decides on matters such as purchasing, stocks and sales promotion. Each department has a manager and assistant manager.

A supervisor is responsible for the general management of all 23 stores and reports to the manager of commercial Services. Under this supervisor are 14 store managers who are responsible for personnel management, sales and stock control and the production of management charts. Nine of the 23 stores have no manager and come under the control of the general supervisor.

On the other hand, the large stores have, in addition to the store supervisor, department managers for books, magazines and stationery.

The number of people employed at each store varies considerably but an average is 6.7 employees per store in Lisbon, 5 in Oporto and 4 in the Algarve.

1.3 Personnel

The steady growth in the number of stores has meant a substantial increase in the number of employees. In 1991 firm B already had 142 employees (mostly female) working in management, administrative departments and stores.

⁽²²⁾ The data given is for 1991 since this was the only period for which the firm made information available

Breakdown of employees by area and sex

	M	%	F	%	TOTAL
Management	1	100	-	-	1
Admin./comm. departments	8	38.1	13	61.9	21
Lisbon	6	7.1	79	92.9	85
Oporto	-	-	10	100	10
Algarve	1	4.2	23	95.8	24
Madeira	-	-	1	100	1
TOTAL	16		126		142
%		11.3		88.7	100

As the table shows, 88.7% of the firm's employees are female and only 11.3% male. Most of the male employees work in the administrative and commercial departments while female employees are involved almost exclusively in selling.

Several reasons may explain this difference. First is the fact that in Portugal retail selling has always tended to be regarded as a low-grade activity, because of the poor working conditions which apply there. The fact that there are more unemployed women than men and that alternative forms of employment exist for males resulted in a predominance of females in the books, magazines and stationery sector. For the firm this has led to a workforce in which the number of females is greater than that of males - which has duly influenced career structure since it has given women access to store manager functions - while most other jobs, including that of sales assistant, are also mostly performed by women.

Working conditions also explain the firm's high rate of staff turnover - around 6.3% in 1991.

If we look more closely at some aspects of working conditions it becomes clear that workforce instability is undoubtedly one of the main influencing factors. As the following table shows, the proportion of employees on fixed-term contracts is in the region of 74.8%.

	Permanent employees	%	Fixed-term Contracts	%	Total	%
Management	1	100	-	-	1	0.7
Admin./Comm. Depts.	10	47.6	11	52.4	21	14.8
Lisbon	16	22.5	55	77.5	71	50.0
Oporto	-	-	10	100	10	7.0
Algarve	9	23.7	29	76.3	38	26.8
Madeira	-	-	1	100	1	0.7
TOTAL	36	25.2	106	74.8	142	100

Current staff turnover and the number of people on fixed-term contracts naturally reflects in the low number of years of service. Thus in 1991, 80.3% (114) of all employees had a maximum of 2 years' service with the firm.

Years of service	No.	%
2 years or less	114	80.3
3 - 5 years	15	10.6
6 - 10 years	9	6.3
11 - 15 years	4	2.8
TOTAL	142	100

The high rate of turnover resulting from some of the factors mentioned obliges the firm to recruit more young people, which obviously reflects in the age structure of the workforce:

Age	No.	%
18 years or less	9	6.3
19 - 25	6	47.2
26 - 30	5	17.6
31 - 35	24	16.9
36 - 45	15	10.6
46 - 55	2	1.4
TOTAL	14	100

The 19 - 30 age group (92 people) accounts for 61.8% of the total number of employees. This is already a substantial asset for the firm both because these people are young and because they generally possess a basic education higher than the sector average.

Although we have no information showing how the qualification/age variables coincide, it is safe to conclude that the youngest age will have been educated to general secondary and complementary secondary levels (97 people). This is confirmed by the following table:

Educational level	No.	%
6 years or less	49	29.6
Gen. secondary (9)	59	41.5
Complementary sec. ed. (11)	38	26.8
Middle/higher educ.	2	1.4
Degree	1	0.7
TOTAL	142	100

While these two factors - a young workforce with a good level of education - can ease the path of innovation in the wholesale/retail trade, the lack of an integrated personnel policy is likely to impede any new form of market presence. We refer here to the job instability resulting from short-term contracts, wages, career potential and vocational training.

Another, no less important factor is the breakdown of the workforce by job category. This in 1991 was as follows:

Job categories	No.	%
Manager	1	0.7
Head of financial serv.	1	0.7
Head of commercial serv.	1	0.7
Head of purchasing serv.	2	1.4
Store supervisors	1	0.7
Head of financial dept.	1	0.7
Asst. Head of commercial serv.	1	0.7
Assistant store supervisor	1	0.7
Clerical staff	13	9.2
Store managers	14	10.0
Sales assistants	104	73.2
TOTAL	142	100

Sales assistants represent 73.2% of the firm's workforce (104 people), followed by the store managers at 10.0% (14 people) and clerical staff at 9.2% (13 people).

Since sales assistants are in the majority, it is natural to conclude that this is the job actually involving selling as defined in the relevant collective agreement for this sector:

- "A sales assistant is a person who sells goods retail or wholesale. He speaks with customers in the store and enquires which products they want; he helps them to choose the product ..."

Although sales assistants in the retail trade are classified as highly skilled personnel, firm B has placed them in the unskilled category of the Ministry of Employment and Social Security system of classification. This reflects in the following table:

Qualification level	No.	%
Managers	1	0.7
Middle management	4	2.8
Store managers and equivalent	11	10.5
Highly-skilled personnel	8	5.6
Skilled personnel	13	9.2
Semi-skilled personnel	-	-
Unskilled personnel	105	74.0
Trainees and apprentices	-	-
TOTAL	142	100

It should, however, be pointed out that the high proportion of unskilled personnel cannot be regarded as a weakness of the firm since a glance at the educational levels shows that around 68.3% of all employees have completed 9 or 11 years of schooling. Apart from representing an enormous plus when it comes to introducing new technologies and new forms of work organization, this also points to a certain inadequacy in the firm's method of classification.

Also worth mentioning is the absence of both trainees and apprentices in the firm's qualification structure.

1.5 Working conditions and labour relations

There is a difference in working hours permitted by the collective agreement for the sector. This lays down that office workers should work a 40 hour week and shop workers a week of 44 hours.

The stores open at 10.00 a.m. and close at 10.00 p.m. with no break, every day of the week, including Saturdays and Sundays. The only exceptions are the airport shops which open at 7.00 a.m. and close at midnight. In both cases employees have an hour for lunch as laid down in the collective agreement.

If we look at how many workers work which hours we find that 83.1% (118 people) do a 44 hour week and the other 16.9% (24 people) a 40 hour week. The first group includes of course those employed as sales assistants or store managers, while the second group includes the office workers.

A study of the collective agreement for this segment (Publishers and booksellers), shows it to be very different from the other agreements for the retail sector. Here again, there is no agreement with the firm. Although the collective agreement provides for union activity, the firm is not unionized. This is partly due to the fact that most employees have fixed-term contracts, and also because they are relatively young.

The collective agreement basically influences the firm's activity at the level of job categories and recruitment. Thus as far as recruitment is concerned it has been agreed that where there is a job vacancy the firm must recruit internally. It can only recruit from outside when none of its existing employees possesses the qualifications necessary for the job concerned.

The collective agreement also lays down a number of criteria for promotion. These are, in order of preference:

- educational and skill qualifications, including training and further training;
- competence in the job;
- seniority in the firm.

In addition to the above criteria the agreement also sets out a number of principles governing promotion. We mention the category of "probationer" and "typist" who having spent two years in that category or having reached 20 years of age or after one year in the category and having reached 20 to 23 years of age must be promoted to the third clerical grade. Apprentice sales assistants who have reached 18 years of age are promoted to junior sales assistant and then after two years to third-grade sales assistant. Third- and second-grade sales assistants who have completed three and four years respectively in their categories are promoted again. The following are some of the rights enjoyed by employees and laid down in their employment contracts:

- 22 working days paid holiday per year;
- the right to refuse transfer to a different location;
- the right not to be put into a lower category for any reason.

1.6 Recruitment

In addition to the criteria contained in the collective agreement, the firm itself has a set of criteria for re-

cruitment of which the following are worth mentioning:

- The firm fixed 12 years of schooling (completed secondary education) as the minimum qualification for recruitment. However, it has difficulty in recruiting people of this level to work mainly as sales assistants, not only for the reasons already stated but also because of the present labour shortage. Where it cannot recruit people at the desired level the firm prefers those with 11 years' or 9 years' schooling.
- The upper age limit set for recruitment to the firm is 30. This, coupled with the present rate of staff turnover has, as the table of age structure shows, made for a relatively young workforce.
- Recruitment policy is also influenced by the fact that the majority of employees are female, and the firm tends to recruit females.

1.7 Transfer

The firm pursues a policy of mobility between stores based on two main criteria, namely

- (a) staff requirements and
- (b) promotions.

COMMENTS

The firm's personnel policy cannot be separated from the group to which it belongs and is the responsibility of the group personnel department responsible for all the firms in the group. While putting all matters related to personnel management in the hands of a single department permits the group to devise an overall policy, it prevents individual firms within the group from evolving their own form of management.

In common with other firms in Portugal firm B, given the constraints already mentioned, recently began to consider the development of its own staff as a factor affecting its competitiveness. These various aspects are being considered and included in a set of principles which suggest significant changes in the firm's approach to matters of personnel management.

These principles have been incorporated in a development plan with the following objectives:

- Improving salary conditions;
- Upgrading key posts in stores;
- Defining career prospects; this is linked to
- Assessment of job performance;
- Vocational training.

2. TRAINING POLICY

The need to introduce a vocational training policy for the firm and its actual introduction is undeniably linked with the firm's steady expansion, and the fact that customers are more demanding as regards information concerning publications and the standard of service. All this is underlined by the fact that the firm has a very positive image as regards both the type of publications it sells and the design of its stores, which distinguishes it from its competitors.

Although there is not as yet a consistent and well-structured programme of vocational training combining continuous training with other forms of personal development, it is fair to say that the firm's strategy is to work towards this aim by a combination of measures to which we have already referred.

The firm is planning in the near future to create a pilot store through which newly recruited employees will pass. This pilot store will run vocational training courses for the various types of job and at the same time will give employees the opportunity to be tested in simulated real-life situations.

2.1 Structure and development of vocational training

The firm organized its first training course in 1989 for the administrative services, all of whose employees were released to enable them to take part. This course was of a very specific nature since its purpose was to meet an immediate need, namely the computerization of the departments concerned. In 1991 the company organized its first set of training courses. These were carried out by an outside firm of consultants despite the fact that the firm itself had a training department. The training programme was designed in collaboration between the firm and its consultants. The selection of those to take part was made by the personnel department in consultation with heads of department and with the agreement of all those taking part. Neither unions nor staff representatives are involved.

Although a training unit exists within the personnel department its activities to a certain extent reflect the early stages in which the firm's vocational training programmes still are. Thus the training unit has mainly been involved in tasks connected with the organization of courses, such as making up class groups and ensuring that all the necessary aids are available.

The firm has two training rooms equipped with the necessary audio-visual aids and able to accommodate 12 and 20 people respectively. Trainers are engaged from outside the firm, although two senior members of staff were used in the courses run in 1991, one coming from the group and the other from the firm itself.

As the following table shows, the training courses were mainly directed to people involved in selling.

Job category	No. of trainees	%
Sales assistants	30	75
Store managers	10	25
TOTAL	40	100

Sales assistants represent 75% of trained employees, which is not surprising bearing in mind that they are the majority of staff. However, their involvement in training courses is also the highest in the firm at 72% (proportion of those undergoing training within a job category).

Store managers represent 25% of trained personnel; 71.4% of the people in this category have been trained.

The rate of attendance at training courses of the firm as a whole is 28.2% (number of people attending 40, total workforce 142).

Even though the number of courses run is still rather low, the rate of attendance is high. This fact is even more relevant if we take into account the situation in the sector as a whole. Even so, the ratio of training expenditure to total payroll is low - 0.0047% in 1991.

The number of training hours per job category is as follows:

Job category	Hours	%
Sales assistants	60	10.5
Store managers	512	89.5
TOTAL	572	100

The greater number of hours for the sales assistants is due to the fact that their training courses involved modules of longer duration.

The whole training programme involved 13 trainers, two of them external. The programme comprised three courses, two for sales assistants and one for store managers.

The course for sales assistants was designed bearing in mind the need to give trainees experience of real situations as well as theoretical knowledge. Theoretical training was therefore given in the classroom using role playing. This was complemented by practical training at the workplace under the supervision of the trainers.

There were also instructional films made in real-life situations with a supposed customer acting out a situation of conflict in his relations with the assistant, who was not aware that this was not a genuine customer.

The course organized for sales assistants comprised the following modules:

Theoretical training

Module I - Hygiene and safety at work

- General principles of preventing illnesses and promoting health
- Personal hygiene
- Hygiene at work
- Risk factors at work
- Industrial injuries
- Medical course: industrial medicine and therapy

Module II - Serving the customer

- Sales assistants as the link between firm and customer
- Evolution of the seller concept
- The sales assistant's attitudes and personality
- Stages in a sale
- Imitation: its importance for effective selling
- The Maslow pyramid, types of reactions
- Arguments and demonstration
- Dealing with objections

Module III - Marketing and Sales

- Planning in marketing
- The market
- Characteristics of products for sale
- Customer typology
- Competition
- Product management
- Sales force, distribution and organization of sales services
- Prices

Module IV - Window-dressing and display techniques

- Window displays

- Divisions in the field of vision
- Natural field of vision
- The window-dresser
- Planning window and in-store displays
- Display theme: season, fashion
- Sketches of in-store displays
- Lighting
- Lighting effects
- Colour psychology

Module V - Storage

- Storage as a consequence of stock requirements
- Warehouse layout
- Administrative, material and economic aspects of stock management
- Essential printed material: examples of layout and use
- Transport and movement of goods
- Relations with suppliers and customers
- Ordering and receiving goods
- Goods despatch and associated techniques

Module VI - Simulation

This module took the form of a period of practical training in the firm's warehouses with a view to familiarizing trainees with the procedures involved. Role playing was also used to demonstrate techniques of serving customers, displaying goods, hygiene and safety.

Module VII

Trainees in this module spent time in various stores in order to acquire practical knowledge of counter selling.

The modular structure of courses for store managers was different. Here the main modules were those concerned with organizational behaviour and selling techniques, the content of which was as follows:

Module 1 - Organizational behaviour

- The cycle of motivation
- Primary and secondary motivation
- The relationship of power, belonging and personal attainment
- Leadership and power in the firm
- Styles of leadership
- Leaders' assessment of situations
- Manager technology and psychological characteristics

Although this goes beyond the scope of the firm itself it should be mentioned that the group to which the firm belongs in 1991 organized a training programme for all middle and upper management, namely

- Managers
- Heads of department
- Heads of section
- Warehouse managers

This programme included the following modules:

- Functions and levels of management
- Marketing
- Quality
- Organizational behaviour.

This programme enabled members of the firm's decision-making structure to have their first contacts with vocational training, where the accent lay on an integrated approach to training modules such as has now become the norm for most Portuguese firms.

This programme turned out to be most useful for the group and particularly for the firm itself since it allowed vocational training to be looked at as a strategic factor whose inclusion in the regular practices of the firm is of vital importance. It also had the effect of spreading to other job categories.

3. ANALYSIS OF STORE IN THE CASCAIS SHOPPING CENTRE⁽²³⁾

3.1 General information

This store was established in May 1991 within the Cascais shopping centre, about 15 km from Lisbon and 5 km from Cascais, the latter being both a tourist centre and a residential area. Although this shopping centre is not situated in an urban centre, it benefits from the fact that a variety of retail activities are concentrated in a single area and from being near the urban centres referred to.

Like the firm's other stores this store sells national and international newspapers and magazines, books and stationery. The layout is similar to other stores but it has a larger sales floor of some 300 square metres.

The store is organized as follows:



In all the store has 8 employees organized as follows:

- The store manager is responsible for management of personnel, standard of service, the store's image, stock management, checking the tills, depositing money at the bank and ensuring that employees are familiarized with their jobs in the absence of any continuous vocational training.
- Heads of department are responsible for managing sales in their area. They have authority to order replacement goods from suppliers, although the first order is always placed by the central purchasing department which forms part of the firm's commercial department.
- Heads of department also serve customers.
- There are four sales assistants who are responsible for the actual sales transaction.

3.2 Personnel

There has been little change in the number of employees over the years as the store has only been in operation since 1991

Year	Employees
1991	4
1992	8
TOTAL	12

⁽²³⁾ This store was studied at the firm's own suggestion.

The breakdown of tasks is as follows:

Store manager	1
Heads of department	3
Sales assistants	4
TOTAL	8

A breakdown of employees by age shows the workforce to be extremely young, in line with the situation in the firm's other stores.

Age	No.	%
21 - 25	5	62.5
26 - 29	3	37.5
TOTAL	8	100

Moreover, the store has one other characteristic in common with the firm as a whole, namely its large number of female employees. In the case of this particular store they account for 100% of the workforce.

The store has a relatively high staff turnover. Only one of the original four employees was still there in 1992.

3.3 Working hours

The store opens between 2 p.m. and 11 p.m. every day of the week with employees working shifts. However, the number of hours worked varies with the level of responsibility. Thus the store manager works eight hours starting at 10 a.m., as do the department managers.

For the sales assistants there is a first shift beginning at 10 a.m. and ending at 5 p.m. The second shift works from 2 p.m. to 11 p.m. This means that there is an overlap of the two shifts between 2 p.m. and 5 p.m.

Employees have 22 working days annual leave, as well as one and a half days rest period after every five days worked. However, by agreement between the firm and the employees there is one full rest day in the first period of five days and another similar rest day in the five following days.

Educational levels break down as follows:

Educational level	No.	%
6 years' schooling	1	12.5
7 years' schooling	5	62.5
11 years' schooling	2	25.0
TOTAL	8	100

3.4 Recruitment

Internal recruitment takes place when the departure of an employee creates a vacancy involving a transfer between stores or promotion.

Where the store has to *recruit externally* it advertises within the store or places an advertisement in the newspaper. The process of selection in this case is carried out by the central recruitment department on the basis of interview.

Where a store manager is recruited from outside the firm the interview is attended by the supervisor of stores and the person responsible for the commercial department as well as a recruitment specialist.

The store also implements a policy of internal recruitment, when attention is paid both to the candidate's qualifications for the job and ease of access to the store from his home.

Where store managers are appointed internally, the job specification is made clear and an agreement is signed between the candidate and the firm that for a period of six months the supervisor of stores will follow his progress.

In the event of the person appointed proving unsuitable for the job, he returns to his original post.

3.5 Development of training policy

The store's training policy is as yet not very consistent, largely because it is still very new. Because of the high staff turnover in the store since it was first opened, only about 13% of staff have benefited from the firm's training courses. As already explained, training has been concentrated on store managers and sales assistants.

Sales assistants were selected for training courses on the basis of information given by the store manager and the supervisor of stores.

The teaching methods most used were group working and audio visual aids.

DEVELOPMENT OF VOCATIONAL TRAINING

Although the firm has developed little in the way of vocational training there is a positive expectancy of its improving employees' skills. Our interviews revealed the need for a policy of continuous vocational training covering technical aspects of the various products and serving the customer.

The introduction of new technology at the store has been mainly concerned with commercial transactions and specifically the use of "plastic money". Training here had taken the form of written and oral instruction.

3.6 Role of the social partners

There is no union activity at this store, nor are the social partners involved in defining a training strategy.

4. ASSESSMENT By the firm

The firm's assessment of vocational training was restricted to the evaluation of the method used for training courses. However, it is fair to say that the training so far carried out has brought significant improvements.

Through the contacts made we realized that vocational training had had a positive impact on the store, particularly by helping to increase the volume of sales and reduce the number of complaints, which helped to assure its gradual acceptance by the firm's management.

Despite the limited scope of vocational training, the effect has been visible at the level of profits and in customer fidelity, even though the store is situated some distance from the nearest urban centre, so that despite its position within a large shopping centre it has random custom.

By the employees

Of the eight employees now working at the store only one has been there since 1991, when the store began its vocational training courses. However, the interview confirmed that the course had produced its effects, particularly as regards serving customers. This involves a transfer of knowledge from the trained employee to the others. This trained employee is at present store manager and there are at present no courses being organized.

By the authors

Although the firm is not highly active in the training sphere it is representative of the retail trade by virtue of the courses organized and their content.

The gaps noted in the firm's vocational training policy are to some extent due to the difficulties encountered not only in firms in the retail trade but also in other sectors of activity. This situation may be explained in part by the fact that only in the second half of the eighties did vocational training begin to get under way in Portuguese firms. Another explanation is the lack of people specifically qualified as trainers.

During the various interviews it was noticeable that employees implemented the principles of good customer service which had been passed on to them by the store manager. However, the lack of any policy of continuous training makes itself felt in a lack of systematic application and understanding of these principles by employees as well as in the absence of technical training, which shows at the level of customer service and in productivity.

These shortcomings are associated with the formative process that must go hand in hand with vocational training proper but has not yet become established in the firm. To be more specific, once training needs have been diagnosed in terms of skills to be improved or acquired through initial qualification, and once the course programmes as a whole have been evaluated in terms of the knowledge acquired by those attending, of the way the course was run at the workplace, and of its importance for the activity of the firm as a whole, existing shortcomings can be improved.

These difficulties will be eliminated by a combination of three factors: firstly government support for the development of work related to the diagnosis of training needs and an assessment of training given, secondly the improved qualification of employees involved in other areas of personnel management, and finally the awareness and qualification of the professionals involved in continuous vocational training.

5. TRANSFERABILITY

Bearing in mind the various aspects of the workforce and employment discussed throughout this case study, it is clear that the firm shows shortcomings as regards employment conditions, particularly in maintaining a high number of fixed-term contracts. The situation contributes to the high rate of staff turnover because people are not offered conditions attractive enough to make them stay. As a result, the firm loses a certain potential deriving from the sound educational level of most of its staff, particularly when the firm is thinking of introducing new technology and when the products it sells have some specific technical features and its customers are becoming increasingly demanding.

The social partners, by which is meant the unions or other employee representatives, have no involvement in training policy. This situation, which incidentally is common to most firms in Portugal, shows the need to encourage a social dialogue on the basis of successful experience in order to encourage this involvement in Portuguese firms.

The training carried out by the group as a whole and by the firm itself showed the firm's concern to include continuous vocational training in its policy. This is one experience worth transferring to other firms in the same segment or elsewhere in the retail sector.

1. GENERAL DESCRIPTION OF THE FIRM

1.1 General aspects

Firm C first appeared in 1979 as the discount store arm of another firm to which it was legally linked. As a result the latter firm became a joint stock company and at present has a share capital of PTE 7.5 billion. It falls into group 620101 of the Portuguese Classification of Economic Activities.

These stores have certain specific features distinguishing them from other retail outlets in Portugal, namely:

- A simple design with sales floors of between 200 and 500 square metres;
- The goods are displayed in their original packing;
- The prices are not marked on the goods to avoid time and expense. As far as the customer is concerned there is no difficulty because the price is shown very visibly adjacent to the product display;
- Staff are few and carry out a variety of day-to-day tasks such as point of sale activities, restocking shelves, etc.;
- The stores are supplied from the firm's own warehouses;
- The goods on offer include a basic list of essential products, such as groceries, dairy products, deep-freeze items, simple pharmaceuticals, cleaning products and toilet articles.

In summary, these stores are notable for providing customers with daily necessities of best quality but at a lower price and as close as possible to their homes.

The commercial group to which this store belongs also has large sales floors and has recently opened what are known as "convenience stores". It now has six stores with sales floors varying between 2200 and 9800 square metres – in other words hypermarkets; 36 stores with sales floors of between 200 and 500 square metres – the discount stores of which store C is one – and four stores with sales floors varying between 60 and 150 square metres – the "convenience stores" referred to.

The group opened its first store in 1970 and can therefore be regarded as a pioneer in many aspects of retail selling in Portugal.

As well as being active on the Portuguese market, the group decided to expand abroad.

In 1991 it began operations in Spain with a chain of integrated shopping centres. The plan is to invest around PTE 5 billion of its own money and in partnership with other investors to open up 30 shopping centres during the nineties. These will be spread over various regions and situated particularly in inland towns.

In Africa the group aims to underpin the image it created as a retailer when it opened the first store there in 1972.

The group has also made contacts in the retail sector in some eastern European countries – Hungary, Poland, and the former Soviet Union – where it is planning to involve itself in mixed companies operating hypermarkets. However, these projects have not yet been clearly defined because of the political situation in these countries.

1.2 Brief history of the firm and recent developments

The history of the firm since it opened its first store in 1979 divides into three clearly defined phases:

- A start-up phase of considerable dynamism;
- A period in the mid-eighties when the pace slackened because the group was involved in a study of the changes which were making themselves felt in the entire distributive trade sector in Portugal, and which forced it to adapt its activities to new market demands;
- the present phase of growth and expansion in which the firm is seeking to maintain and underpin its leading position in this market segment.

1.3 Structure

The firm has its head offices in Lisbon. It has 36 stores and two goods depots and is headed by a director general.

The director general controls a number of areas: operations, commercial, expansion, administrative, marketing and training.

The administrative department is responsible for everything connected with book-keeping, invoicing, personnel management and computerization. The commercial department determines products to be sold and pricing policy, while the marketing department is responsible for the image of the firm among its customers. Each of these departments is headed by a manager.

The operations department is divided, either for geographical reasons, or for reasons connected with its management, into two separate sectors – southern and northern. Each sector is headed by an operations director who has a team of operations coordinators responsible for the management of the various groups of stores within each sector.

Of a total of 36 stores, 28 belong to the southern sector and are situated in Lisbon (12), Linea de Sintra (5), Concelho de Setubal (7), Vila Franca de Xira (1), Almeirim (1), Marinha Grande (1) and Alverca (1). These stores are supplied with goods from a depot with an area of some 5000 square metres, the head of which reports directly to the operations director/southern sector.

The other eight stores are situated in the northern sector between Oliveira de Azeméis and Braga. These are supplied with goods from a depot which can cope reasonably with current requirements but is not designed to support the firm's plans for expansion in this part of the country. As a result, one of the firm's priorities is the acquisition of a new depot near Oporto, similar in size and other features to that already existing in Lisbon. The head of the northern sector depot reports directly to the operations director/northern sector.

Each store has a store manager, an assistant manager, a specialist assistant and on average five sales assistants. Liaison between the store and the various head office departments is the responsibility of coordinators who, as we have said, report to the operations directors. The firm currently has two coordinators in the northern sector and three in the southern.

The store manager is responsible for the store's assets (installation, equipment and image), personnel, stocks of goods and cash allocated to his store. He is not responsible for selecting the goods sold nor for buying them in.

1.4 Personnel

YEAR	TOTAL	WOMEN	MEN	% OF WOMEN	% OF MEN
1989	425	92	333	22	78
1990	399	94	305	24	76
1991	385	119	266	31	69

As already mentioned, the firm's period of major expansion was the early eighties. This was followed by a period of little change while the original strategy was being reviewed, which lasted until mid-way through 1991. During this period no new stores were opened and management was restricted to day-to-day operations.

As far as the staffing position is concerned, the last three years have, as the table shows, brought a sharp drop in numbers because of the lack of growth, but also because of a strategy of staff restructuring. This latter factor becomes of greater importance when one remembers that a small and relatively unskilled staff is essential to the discount store philosophy.

On the other hand, the firm's recruitment policy favours men because of the discount stores' need for few people carrying out a wide variety of jobs. This explains the low percentage of women compared with other firms in the retail sector. Nevertheless the percentage of women has been increasing, not because of any change in policy but also because of the growing difficulty of finding men for the job. People are initially employed on the basis of a six-month contract which may or may not be subsequently renewed. A person is employed as a junior sales assistant for the first year and normally becomes established after a year or eighteen months. Currently the firm prefers to recruit young men of less than 25 years of age in the hope that some of them will go on to make a career with the firm and – bearing in mind the plans for expansion for the next few years – provide future management material. As the following table shows, people in the 18 to 35 age group account for 68.8% of the total workforce. This could give the firm an important advantage since this is a fairly young age group with, in principle, a better level of education, enabling them to absorb management concepts and put them effectively into practice.

When, however, we take a look at education and skill levels we see that the conclusions drawn on the basis of age are not necessarily correct.

EDUCATIONAL LEVEL	No.	%
Less than 6 years	87	21.9
Elementary school (6)	131	32.9
General secondary (9)	112	28.1
Complementary sec. (11)	56	14.1
Middle/ Higher sec. ed.	9	2.3
Degree	3	0.8
TOTAL	398	100

However, around 45.3% have more than 9 years' schooling. Although we have not made a breakdown of educational qualifications by age group, we may assume that this 45.3% falls into the age group already referred to.

The advantage to the firm of having a relatively young and reasonably educated workforce more easily adaptable to new technology and even new forms of work organization may be jeopardized by the practice of issuing contracts. About 32% of people working in the stores are on fixed-term contracts and more than 50% of sales assistants.

AGE	No.	%
Less than 18	–	–
18 – 25	153	38.4
26 – 30	50	12.6
31 – 35	71	17.8
36 – 45	94	23.6
46 – 55	26	6.5
Over 55	4	1.0
TOTAL	398	100

CATEGORY	TOTAL	ESTABLISHED STAFF	%	FIXED-TERM CONTRACTS	%
I. STORES					
Store manager	26	25	6.4	1	0.3
Assistant man.	39	39	9.9	-	
Sales assistant	240	116	29.6	124	31.6
Subtotal	305	180	45.9	125	31.9
II. WAREHOUSES					
Department man.	2	2	0.5	-	
Warehouse man.	9	9	2.3	-	
Assistant man.	1	1	0.3	-	
Operative	23	16	4.1	7	1.8
Clerk	6	6	1.5	-	
Subtotal	41	34	8.7	7	1.8
III. HEAD OFFICE DEPS					
Director general	1	1	0.3	-	
Manager	6	6	1.5	-	
Departmental man.	4	4	1.0	-	
Head of sector	5	5	1.3	-	
Operations manager	7	7	1.8	-	
Head of security	2	2	0.3	-	
Stores manager	1	1	0.3	-	
Clerk	20	14	3.6	6	1.5
Subtotal	46	40	10.2	6	1.5
TOTAL	392	254	64.8	138	35.2

1.5 Working conditions and labour relations

In general, the stores are open continuously from 9 a.m. to 8 p.m. on every day of the week except Sunday. The exception to this rule are stores in shopping centres, which open seven days a week from 10 a.m. to 10 p.m.

Naturally, staff working hours are not the same as store opening hours. Working hours are from 7 a.m. to 10.30 p.m. in different shifts (7 a.m. to 7.45 p.m., 7 a.m. to 5.15 p.m., 9 a.m. to 7.45 p.m., 11.45 a.m. to 10.30 p.m.) with a lunch break of one and a half or two hours. This means for most employees a working day of 8 hours 45 minutes and a working week of 43 hours 45 minutes, with two free days a week. Staff working in the administrative departments do not work this number of hours since their weekly working time is in line with collective agreements in this sector and is therefore only 40 hours. At the moment the firm does not have any people working part-time.

There is no collective agreement relating specifically to the firm or even to the group to which it belongs. As we have already explained, working conditions in the firm are very close to those collectively agreed for the sector. Employees therefore enjoy the same rights as those listed in connection with Case Study A, q.v.

- 22 days of paid holiday per calendar year;
- freedom to organize union activities within the firm;

- automatic promotion from apprentice to junior assistant on reaching the age of 18 and from junior assistant to assistant after three years in that category;
- a basic minimum wage and a displacement bonus when a person is sent outside of his normal working area;
- a Christmas bonus equivalent to one month's wages.

1.6 Comments on problems

As is the case almost everywhere in this sector, the working conditions for sales assistants are not very attractive. Salaries are low, hours are long, the work requires little skill and career prospects are very limited, especially at times when the firm's expansion is slow.

Recruitment of the kind of people required - young men with at least nine years' education - is therefore difficult, as is keeping staff once they have been recruited. The resulting high rate of staff turnover has negative effects:

- It increases initial vocational training costs;
- It reduces the advantages to the firm of the vocational training it carries out;
- It reduces employees' readiness to identify with the firm's objectives and culture.

Because of this problem the firm is planning to improve the terms of employment for sales assistants in the very near future, particularly as regards wages.

2. TRAINING

2.1 Historical development, current policy and objectives

Concern with matters of vocational training began, for practical purposes, when the group to which the firm belongs established itself in Portugal. It resulted from the need for managerial staff to adapt to the principles of modern retailing philosophy and for the technical training of those employed in the stores. As a result, the firm very early on created a training department independent of the personnel department.

Between 1970 and 1974 this group gained a reputation for pioneering and innovation by evolving a plan for expansion which gave it a leading position in self-service retailing on the Portuguese market; it also evolved as a genuine training school for employees in this area.

However, the troubled period following the revolution of April 1974, during which the firm was taken over by its employees for some time, and subsequent state intervention in 1975 brought the group to the brink of insolvency.

When the state ceased its involvement in 1977, the group entered upon a second phase lasting until 1979, during which it staged a technical recovery and paved the way for a financial recovery.

This, incidentally, is the stage at which firm C came into being. The group's previous experience had already shown the importance of training for personal development and the pursuit of its own corporate goals. It therefore began a vocational training scheme which, though admittedly not very systematic, became established and was mainly directed to on-the-job training. This was made the responsibility of the operations director.

Currently, the vocational training department is the direct responsibility of the director general and is closely coordinated with other departments. It is responsible for the planning, coordination and implementation of all types of training activity.

All the various directors are involved in formulating vocational training policy alongside the person immediately responsible. Neither the employees themselves nor any representative body – union or staff committees – are involved in any way although the department is open to suggestions from employees or middle management. However, such suggestions are few and far between.

As a result the specific needs of those attending training courses are not really taken into account by the firm in organizing and planning its vocational training.

Courses so far have been held in normal working hours and those taking part are chosen by their respective superiors. Attendance is compulsory. Over the past two years vocational training has had two specific aims:

- Basic training for sales assistants. This means that all employees recruited as sales assistants undergo a period of general induction;
- Training for permanent employees to assist them in adapting to the changes that have already come about or to introduce them to new management concepts.

The basic training of sales assistants is carried out by trainers chosen from among the firm's management who have considerable experience of its operations. These courses take place in the training rooms situated in the stores themselves.

At present there are two rooms used for basic training designed to meet present and future needs. One of these rooms is situated in a store in the northern sector and the other in a store in the southern sector.

Basic training is not carried out on head office premises because of the wish to put trainees in direct daily contact with the actual running of a store. After a subject has been dealt with theoretically in the training room, therefore, there is always a practical component during which theoretical knowledge acquired can be applied.

Points needing to be considered as regards the training of established personnel are:

- (a) the treatment given to technical subjects, which is normally entrusted to specialists invited from the various group departments. However, the training session always takes place under the guidance of a trainer.
- (b) the treatment of subjects relating to computers, for which a specialist trainer exists.
- (c) the treatment of subjects connected with behaviour or inter-personal relations, which is again the responsibility of special trainers.

However, the firm has made no effort to utilize outside training facilities, nor outside trainers. Nor has it sought Community assistance. All costs of vocational training have been borne by the firm itself.* The following tables show the vocational training courses carried out in 1990 and 1991, the number of people participating, the sex of participants and the number of hours involved.

* No information as to actual cost of vocational training is available.

Basic training courses for newly recruited store operators

Year	No. attending			% of employees involved	No. of courses	No. of hours
	M	F	M+F			
1990	86	34	120	100	16	2384
1991	75	48	123	100	22	2472

Training courses on customer service for established store operators

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1990	125	62	187	21	168

Courses on system 8870 for computer operators

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1990	3	-	3	3	120

Courses on new management concepts for potential assistant store managers

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1990	28	-	28	3	72

Courses on new management concepts for store managers (1990) and warehouse managers (1991)

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1990	26	-	26	3	120
1991	2	-	2	1	24

Point of sale course (1991)

Category of Participant	No. attending			No. of courses	No. of hours
	M	F	M+F		
Assistant store manager	32	-	32	8	128
Potential assistant store manager	30	-	30	6	120
Store manager	31	-	31	8	128

P.O.S. (optical scanning) course (1991)

Category of Participant	No. attending			No. of courses	No. of hours
	M	F	M+F		
Sales assistant	2	-	2	1	8
Store operator	2	1	3	1	4

Courses on new management concepts for assistant store managers (1990) and assistant warehouse managers (1991)

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1990	32	-	32	4	128
1991	6	-	6	2	48

Course on reception, advice and despatch of goods for warehouse operators

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1991	26	-	26	7	56

Course for store managers on knowledge transfer

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1991	28	-	28	4	64

Point of sale course for assistant store managers

Year	No. attending			No. of courses	No. of hours
	M	F	M+F		
1991	32	-	32	8	128

As the above tables show, the vocational training courses have been aimed at the different occupational categories in the firm and especially at employees recently recruited, store managers or assistant store managers or their equivalents and those who have been more directly affected by innovation and change within the firm, particularly by the introduction of optical scanning check-outs, new concepts in stock management and personnel policy, and new administrative procedures. More than 50% of the courses organized over the two-year period were specifically for managers, assistant managers or potential assistant managers. The following table summarizes the data contained in the preceding tables and shows the breakdown by sector for courses organized for employees already established.

		M	No. attending F	M+F	No. of courses	No. of hours
1990	North sector	66	36	102	17	1328
	South sector	234	60	294	33	1664
	TOTAL	300	96	396	50	2992
1991	North sector	39	11	50	14	768
	South sector	195	38	233	46	2284
	TOTAL	234	49	283	60	3052

The summary table for training of newly recruited employees is as follows:

		M	No. attending F	M+F	No. of courses	No. of hours
1990	North sector	20	15	35	6	1144
	South sector	66	19	85	10	1240
	TOTAL	86	34	120	16	2384
1991	North sector	8	11	19	7	672
	South sector	67	37	104	15	1800
	TOTAL	75	48	123	22	2472

2.2 Vocational training structures

We have already explained that all the training courses are carried out within the firm and are given either by specialist trainers or managers from within the firm or the group to which it belongs. Planning, coordination and implementation of the firm's vocational training policy is the responsibility of the training department which formulates this policy in collaboration with the heads of other departments. The training department has a director directly responsible to the director general and two permanent trainers. These three are responsible for all the vocational training courses, the director being responsible for courses concerning behaviour, motivation, leadership and the like while the two trainers are involved in basic training courses with a more technical content.

The basic induction courses are held in two classrooms located on store premises – one in the north and another in a store in Lisbon.

The other courses are normally held in rooms in the head office building.

2.3 Impact of new technology, consumer legislation, internationalization, etc.

The subjects dealt with in vocational training courses run by the firm as we have described them reflect the impact on vocational training policy of new technology, consumer legislation, internationalization, etc.. These factors are also the driving force behind vocational training within the firm.

2.4 Involvement of social partners in training policy

As in our other case studies, employees and their representatives play no part in defining, planning, coordinating or implementing vocational training policy within the firm.

2.5 Description of principal training programmes

With the exception of the initial basic training courses aimed at recent recruits, the training courses organized by the firm are of relatively short duration (one or two days). As a result the course content tends to focus very intensively on the subject-matter being dealt with. This is the case, for example, of the course on customer service aimed at sales assistants whose theoretical instruction given in the classroom is restricted to the following subject-matter:

- Introduction to customer service;
- Focus on the buyer – the customer;
- Focus on the seller – the sales assistant;
- Definition of customer service;
- Types of service (organizational, personalized and self-service).

The final phase of this course was a practical component involving role-playing in specific situations. The content of courses destined for store managers, on the other hand, tends to be more extensive and

ambitious. We refer specifically to the training courses on new management concepts which, as the following list shows, deal with a range of different subjects:

- Description of the job, its composition and objectives;
- Explanations concerning the operation and maintenance of cold storage equipment, displays and check-outs;
- New concepts of store layout;
- New concepts for display and replacement;
- Stock management;
- Ordering supplies;
- Special sales campaigns;
- Interpersonal relationships;
- Quality control: technical aspects;
- In-store advertising;
- Training: its usefulness and importance; the store manager as trainer;
- Displaying fruit and vegetables;
- The administrative circuit;
- Visit to a warehouse;
- Profit and loss accounting, composition and analysis;
- Customer service;
- Delegation and management styles;
- Quality control, relevant legislation;
- Sales budgeting: initial calculations, monitoring and analysis;
- Breakages, causes, prevention and action to be taken;
- Personnel management;
- Global analysis.

is responsible for the management of personnel, goods and wages, he is not responsible for recruitment, nor for choosing or ordering the merchandise for sale.

He is also not responsible for planning, coordinating or implementing the training courses needed for personnel employed in the store.

The store opened in 1979. It is open between 9 a.m. and 8 p.m. from Monday to Saturday.

The store is equipped with check-outs linked to a central computer. The check-outs also have scanning systems for magnetic cards.

There are 11 employees – slightly above the average for stores of this firm. The staff breaks down as follows:

3. ANALYSIS OF A PARTICULAR STORE

The store in question is situated in a combined residential and business district of Lisbon and is mainly used by middle-class customers. It has a basement and ground floor with only the latter, with an area of 520 square metres, being used for displays and sales. The basement houses the classroom for vocational training of recently recruited employees in the southern sector. As a result the store has its own canteen.

The range of products sold is similar to those in other stores. Sales philosophy, organization and management practices are also very similar to other stores within the group.

The fact that management is highly centralized in this particular firm has left the manager very little scope for creativity and independence. Although he

CATEGORY	SEX	AGE	QUALIFICATION LEVEL
Store manager	M	33	General secondary
Sales assistant	F	50	Primary education
Sales assistant	M	45	Primary education
Sales assistant	F	42	Primary education
Sales assistant	F	39	Preparatory ed.
Sales assistant	M	46	Preparatory ed.
Sales assistant	M	56	Primary education
Sales assistant	F	22	General secondary
Sales assistant	M	24	General secondary
Sales assistant	M	19	Complement. secondary
Asst. store manager	M	31	General secondary

As in other stores, staff work an 8 3/4 hour working day in staggered shifts varying from 7 a.m. to 5.15 p.m. and 10.45 a.m. to 9 p.m., with a break of 1 1/2 hours for lunch.

The staff perform a wide variety of tasks. All employees have attended at least one vocational training course, organized, as we have already said, by the training department.

4. ASSESSMENT

4.1 By the firm

As a pioneer and leader in retail techniques the firm benefits from the philosophy and many years of experience of vocational training of the group of which it is both financially and legally a part. Ever since training was begun, it has been regarded as an indispensable means of preparing employees and making the most of them in the interests of efficiency, good customer service and competitiveness. The training policy being pursued has in general met these requirements.

4.2 By the employees

Vocational training is well regarded and in the opinion of those employees we interviewed enables them to increase their general knowledge of the firm, the products it sells and the working equipment. However, they maintain that training courses have been too heavily focused on "how to do something" at the cost of the "why".

4.3 By the authors

There is a strong link between the objectives the firm has set itself and its vocational training policy. On the other hand, the training programmes seem to us appropriate to the objectives of the courses themselves. However, we agree that a greater emphasis should be put in training courses on the reasons for doing things. This would make for a greater motivation on the part of employees and encourage individual initiative, which could be further improved by a general amelioration of working conditions. This, in turn, would mean lower staff turnover and would also reflect positively in the cost of basic training. Running short courses at frequent intervals instead of very long courses would seem to us very appropriate because of the difficulty many employees experience in remaining attentive for any length of time under classroom conditions.

5. TRANSFERABILITY

The model analyzed was extremely interesting and particularly adaptable to firms using self-service.

6. LIST OF PEOPLE INTERVIEWED

- Director general
- Head of training department
- Store manager
- Assistant store manager
- Sales assistants

1. GENERAL DESCRIPTION OF THE FIRM

Firm D is a company limited by shares with a registered capital of PTE 1 billion. The entire capital is in Dutch hands since the firm forms part of a group headed by a holding company, although this has not yet been legally formalized.

Firm D began its operations in 1969 and is involved in the manufacture of ready-made clothing which is exported to Europe, the United States, the CIS and other countries. Exports account for 85% of its output.

The company also has representative offices in the United Kingdom, Scandinavia and Germany.

In Portugal its products are marketed through the firm D1, which in the firm's present structure is the retail arm, with 43 stores scattered around the country. Firm D has its headquarters at Vila do Conde in the north of the country and its target customers are those of medium purchasing power.

Because it combines two types of activity in one firm – manufacturing and retailing – Firm D falls into group 32 20 20 of the Portuguese Classification of Economic Activities for its core activity of manufacturing while its subsidiary of retailing fabrics, knitwear and articles of clothing falls under 62 03 10.

1.1 Brief history of the firm and recent developments

The firm began operations in 1969 and has gone on developing over the years, reflecting in the sharp increase in the number of factories. Its first factory was opened in Vila do Conde in 1969, followed by a second in Póvoa do Varzim in 1971, one in Maia in 1972, this last being concerned solely with the manufacture of trousers. The last factory was opened in Braga in 1973 and makes trousers and jackets.

To underpin this growth the firm has invested substantially in new technology, with the emphasis on computerization. Thus in 1981 the firm acquired a CAD/CAM system for preparation and cutting which is installed in its Póvoa do Varzim factory and in 1985 also invested in an automatic cutting table which was linked to the CAD/CAM system.

The first two retail stores (D1) for the firm's products opened in Vila do Conde and Braga in 1975. Stores gradually opened in the main urban centres of the country covering the medium/low purchasing power segments of the market.

In the retail sector, firm D1 has computerized all 43 of its stores and also introduced optical scanning for articles of clothing. Another point worthy of note is the fact that it has issued a customer card which was sent to a large number of potential customers. This card not only establishes a more personal relationship between the customer and firm D1 but also provides it with statistical information about the type of customers who use its stores, particularly in terms of age and sex, as well as about the number of customers using each store.

From the financial point of view the firm's situation is stable, witness the 14% growth registered over the last two years, which is fairly substantial for both the manufacturing and retailing sectors.

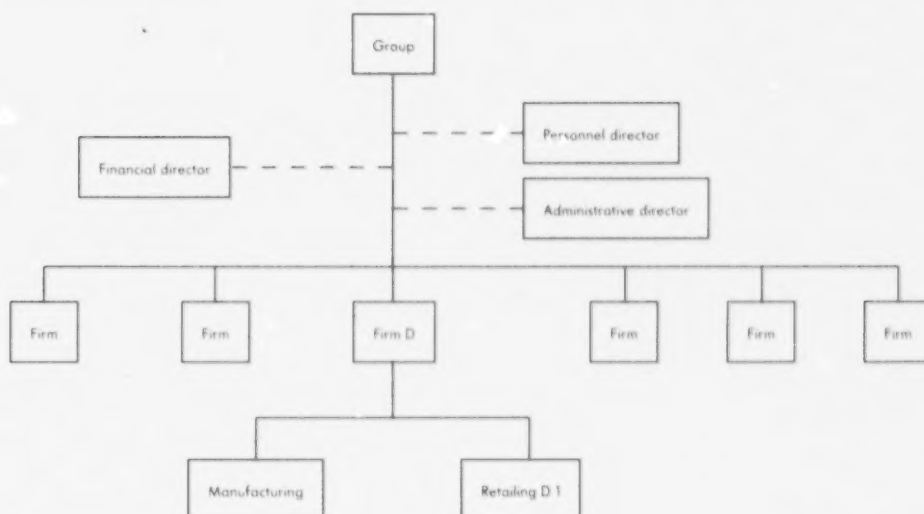
The firm intends to make its various sectors of activity (manufacturing and retailing) autonomous in the near future and is thinking in broader terms of establishing a holding company to bring together all the firms in the group.

* Firm D has two segments of activity, manufacturing and retailing. Retailing will be referred to as D1 and is the principal object of this study.

2.

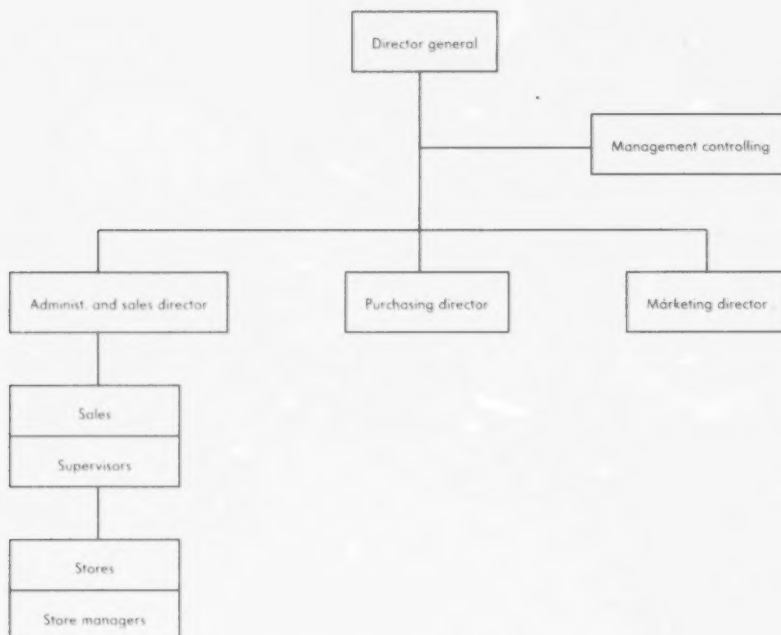
1.2 The firm's structure

As the following organizational chart shows, firm D forms part of a group:



This structure is headed by an administrative director assisted by three managers who manage the various areas of activity of all the departments (future firms) of the group.

Firm D1, which is concerned with retailing, has the following structure:



Management of distribution and sales for firm D1 is centralized at Vila do Conde.

The sales department has six supervisors who are responsible for the following regions:

- North
- Centre
- Lisbon
- South.

Each supervisor is directly responsible for 6 to 8 stores, with the exception of the store situated in the Amoreiras shopping centre, which is controlled directly by the administrative and sales director. Each store has its own store manager.

A geographical breakdown of the 43 stores shows the greatest number, namely 14 or 32.5%, to be in the Greater Lisbon area:

Zone	No. of stores	%
Greater Lisbon	14*	33
Greater Oporto	7*	16
North	8	19
Centre	7	16
South	7	16
TOTAL	43	100

* Including two shopping centres

While on the subject of the geographical location, it is worth pointing out that the firm has a good coverage of the two main urban centres of the country, namely Lisbon and Oporto, as well as a substantial presence in the main towns whether on the coast or in the interior, and also in those towns which border on Spain.

1.3 Personnel

Number of employees

YEAR	No. of employees
1986	355
1987	367
1988	386
1989	383
1990	376
1991	396

The breakdown of the number of employees has varied little in recent years, a fact which indicates a degree of workforce stability despite the technological change which has taken place.

However, although the number of employees has changed little this should not be regarded as indicating an absence of staff turnover. In fact, the rate of turnover in 1991 was a hefty 78%.

Breakdown of employees by occupational group

Category	No. of employees	%
Supervisor	6	2.0
Store manager	42	11.0
First sales assistant	64	16.0
Second sales assistant	25	6.0
Third sales assistant	24	6.0
Junior sales assistant	83	21.0
Cashier	32	8.0
First-year trainee	2	0.5
Senior administrative secretary	4	1.0
First clerk	13	7.0
Third clerk	1	0.25
Senior secretary	3	0.75
Head of warehouse	1	0.25
Warehouse assistant	2	0.5
Driver	12	3.0
Lecturer	12	3.0
Distributor	18	5.0
Salesman	1	0.25
Purchasing clerk	7	2.0
Programmer	2	0.5
Computer operator	4	1.0
Quality controller	2	0.5
Quality checker	2	0.5
Sewing machinist	4	1.0
Cleaner	29	7.0
Model	1	0.25
TOTAL	396	100

If we analyze the breakdown of the workforce of firm D1 we find that most of the occupational categories (store manager, first, second and third sales assistants, junior sales assistant and cashier) are directly involved in store activity and represent about 68% of the firm's total workforce. Other categories provide administrative and logistical support.

Breakdown of employees by educational level and sex

QUALIFICATION LEVEL	M	%	F	%	TOTAL	%
Senior manager	4	100	-	0	4	1
Middle manager	12	75	4	25	16	4
Store manager	48	91	5	9	53	13
Highly skilled personnel	28	61	18	39	46	12
Skilled personnel	48	25	147	75	195	49
Semi-skilled personnel	15	21	55	79	70	18
Unskilled personnel	-	-	12	100	12	3
TOTAL	155		241		396	
% - - >	39%		61%			100

The high proportion of female workers (61%), should not surprise given the working conditions in the sector, particularly the low wages and shift work - the latter only applying to any degree to the four stores in shopping centres.

The higher skill (manager) levels are heavily weighted in favour of men (91%).

The skill levels showing a heavier weighting of women workers are the skilled and semi-skilled categories where women represent 75% and 79% respectively of the total figure. This situation results from the fact that the majority of employees within the firm are sales assistants, who are therefore classed at this skill level.

ceptive to modernization and continuous vocational training,

As far as employment conditions are concerned the firm does well. This is particularly important when it is compared with other firms in the sector. As the following table shows, the firm has a low percentage of employees on fixed-term contracts:

Employees	%	Fixed-term contract	%	total
368	93	28	7	396

Breakdown of employees by age group

AGE	No. of employees	%
Less than 18	17	4
19 - 25	110	28
26 - 30	132	33
31 - 35	76	19
36 - 45	37	9
46 - 55	15	4
56 - 60	6	2
61 - 65	3	1
TOTAL	396	100

The table shows that more than half the firm's staff (65%) are no more than 30 years of age. This fact reveals a high rate of staff turnover (78%) which is the result of the poor working conditions and particularly the low wages in the sector.

However, the fact that the workforce is young may be regarded as a strong point in the firm's favour in that this is an age group which tends to be more re-

1.4 Working conditions and labour relations

The weekly working hours are those laid down for the sector in the relevant collective agreement, namely 44 hours for all employees except office workers, who work only 40.

In the case of employees working a 44 hour week work is from 9 a.m. to 7 p.m. with a period of two hours for lunch, normally between 1 p.m. and 3 p.m. On Saturdays the hours worked are from 9 a.m. to 1 p.m.

These are the hours worked by the majority of the firm's employees with the exception of those working in shopping centres, who work shifts. In this case, and where people work for a period which is legally regarded as night time (between 8 p.m. one day and 7 a.m. the next) employees are entitled to an increase of 25% on their normal wage rate.

Overtime is also governed by the collective agreement. It is paid at double the normal wage rate and if overtime is worked on a working day, the weekly rest day or a public holiday it also carries entitlement to time off in lieu paid at the rate of 25% of the number of hours' overtime worked.

The collective agreement also entitles employees to the following:

- 22 working days holiday per year
- a free day on Sunday
- freedom to organize union activities
- a Christmas and holiday bonus.

The collective agreement for the sector also provides for certain rights as regards vocational training, such as a reduced number of working hours for those who attend training courses or further training courses without prejudice to wages and other benefits, up to a limit of 120 hours a year. Costs of training courses are paid by the employer since they form part of the firm's own activities and the employees' attendance has been agreed between the parties.

Breakdown of employees by educational level

Educational level	No. of employees	%
Primary education (4 years)	165	42
General second. ed. (9 years)	128	32
Complementary sec. ed. (11 years)	84	21
School leaving certificate	16	4
Higher education	3	1
TOTAL	396	100

A breakdown of employees by educational level shows that 165 or 42% of the total have four years of primary education while 32% have nine years of schooling. While the first factor helps to impede the introduction of new working methods and new technologies, the second can help bring about the changes, mainly through a policy of continuous vocational training.

1.5 Recruitment

Recruitment of the greater part of the workforce is normally carried out by means of advertisements or personal contact.

The process of selection of successful candidates involves first an interview attended by the personnel manager, the manager of the department to which the successful candidate will belong, and in some cases the store manager.

The criteria for recruitment are of course dependent on the job involved. Where, for example, a candidate will be required to serve customers the age and vocational experience factors are very important.

1.6 Promotion

Promotion in the firm is governed by two sets of criteria, firstly what is laid down in the collective agreement and secondly the policy of assessing employees' performance. In the first case an employee entering the firm begins as a trainee sales assistant and after three years in this category or having reached 18 years of age is automatically promoted to junior sales assistant. When he has been three years in this category he will be promoted to sales assistant. The maximum time spent in this last category is reduced by two years whenever the person

concerned has been in the trainee category for a year or more or has at least one year's experience in the job attested by his previous employer.

Assessment of staff performance is carried out by the firm twice a year on the basis of a record card showing various indicators and factors. The assessment of merit of each employee is carried out by the supervisor in the region in which the store is located on the basis of the store manager's opinion.

1.7 Comments and problems

Firm D1 has a structure which, though autonomous as shown in the organization chart, is dependent on the personnel department for the group as a whole and the future holding company. To some extent this hampers the formulation of an adequate personnel policy specifically designed for a commercial firm. Although the number of staff has remained practically constant over the years, there is a high rate of staff turnover which in most cases is linked to the type of jobs performed in stores. However, contrary to the situation in most stores in the sector where a high rate of staff turnover is associated with low wages, job insecurity and the need for shift working, in Firm D staff turnover is attributable largely to low wages because only 9% of existing stores - namely those located in shopping centres - work shifts, while the policy with regard to staff contracts encourages establishment of employees.

The firm has a high percentage of women employees (61%) and a young workforce which also shows some uniformity in terms of educational level. Thus 42% have had four years of primary education and 32% have completed nine years' schooling. While the high proportion of female workers might in the shorter term work to impede the firm's progress, especially if associated with low wages, the fact that the workforce is young and with a varied range of skills is a plus factor for the development of continuous vocational training.

2. TRAINING POLICY

The need to meet the growing demands of consumers and the increase in competition led the firm in 1991 to introduce a systematic plan of vocational training, even though some employee had received vocational training in earlier years which had not been part of a systematic plan.

Vocational training in the firm at the moment is more of an induction course and is not integrated with other areas of personal development.

2.1 Structure and development of vocational training

The training department is headed by the holding company's personnel manager and is mainly responsible for coordinating training courses. It comprises a trainer and an administrative clerk working in conjunction with other departments.

The courses organized in 1991 were the result of cooperation between store managers and the training department but no study had been made of training needs in specific areas.

Trainees were selected by the supervisors together with store managers and the management of firm D1 in liaison with the group's personnel department. There was no involvement of employees or employee representatives.

The courses run covered various job categories:

Category	No. of trainees	%
Supervisors/ store managers	48	38
Sales assistants	79	62
Total	127	100

Sales assistants represent 49% of the firm's total workforce and 62% of employees who have been trained. The proportion of people trained within the sales assistant category was 50%. Supervisors and store managers, all of whom were given training courses, account for the remaining 38% of trained employees.

The proportion of the total workforce given vocational training is 32% - 127 people out of a total workforce of 396.

Although the number of courses is still relatively small, it is worth mentioning the high rate of participation as well as the amount spent on training, which was 5% of total payroll.

The number of hours represented by the training courses and their breakdown by job category was as follows:

Job category	No. of hours	%
Supervisors/ store managers	86	52
Cashiers	79	48
Total	165	100

Supervisors and store managers account for the greater number of hours, due to the fact that they have an extra course module.

The firm used the services of external trainers for all the courses because they did not have any trainers qualified in the subjects being dealt with within the firm.

Teaching methods used included role playing in simulated real life situations and video films.

The course organized for supervisors and store managers was composed of the following modules:

- A - Behaviour
 - The firm's image
 - Typical customer personality
 - Giving a customer personal service
 - Communication
 - Behavioural techniques
 - Firm/ customer relationship
 - Time management
- B - Marketing
 - Techniques, concepts and systems
 - Store decoration and image
 - Conveying a message
 - Scientific selling

- C - Manager training
 - Group psychology
 - Inductive psychology
 - Motivation
 - Leadership
 - D - Specific area
 - Fashion as a social phenomenon
 - Notions, techniques and concepts
 - E - Computers and data processing
 - General approach to data processing
 - Data processing systems
 - F - Organization
 - Concepts and systems
 - Management by objective
 - Costs, notions and control
- The training course given to sales assistants also had a modular structure similar to that of the previous course, although there were differences in number of hours and in the treatment of the subject of computers, well as also an extra module on quality of customer service. These were made up as follows:
- Computers and data processing
 - Data processing systems
 - Cash desks and terminals
 - Operating difficulties
 - Quality of customer service
 - Quality and concepts
 - Dealing with difficult customers

3. ANALYSIS OF THE AMOREIRAS STORE

3.1 General information

This store is located in the Amoreiras shopping centre which in turn is situated in a modern, architecturally designed area comprising residential accommodation and offices.

The store's situation, as well as the fact that the shopping centre is situated near the centre of Lisbon with ample space, makes it a focus of attraction for shoppers, both because of the different types of business to be found there (shops selling all kinds of products, cinemas, etc.) and because of the architectural design of the area incorporating the shopping centre.

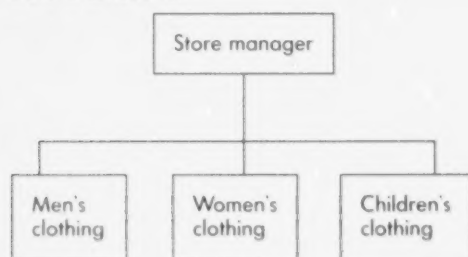
The store opened to the public in 1985 at the same time as the shopping centre. The store has a sales floor of 1700 square metres and is the largest store in the chain we are studying, as also that with the largest sales volume.

Like the firm's other retail outlets, this store sells men's, women's and children's clothing based on collections marketed throughout the stores in the chain.

Although the Amoreiras store sells the same type of products as other stores within the group, it is differently designed. This is explainable partly by the kind of customers using the store, who differ from those using other stores. The Amoreiras store is situated in an area inhabited by people of some wealth, whereas the others are located in less prosperous areas.

Organizationally the store is structured around the type of goods being sold. There are no heads of department and the various sections within the store are supervised directly by the store managers (who

in the collective agreement are designated senior sales assistants). The organizational chart for this store is as follows:



There are two store managers because of the hours during which the store is open (10 a.m. to 11 p.m.). These managers are responsible for personnel management, quality of service, stock management and invoicing. They are also involved in recruiting staff and integrating them into the firm. Apart from the store managers there are three different job categories, namely receptionist, cashier and sales assistant.

The receptionist's tasks are:

- to receive customers;
- to manage the data contained on the cards held by most customers, using a computer.

The cashier's job is essentially to package the goods and take payment from customers.

The sales assistants are basically responsible for serving customers.

Although each of these jobs is different the store does have situations which require several skills, particularly when the store is short-handed.

The technical equipment includes three computers used for different purposes, all of which are linked to the central computer at head office. One computer is used by the receptionist, who introduces a customer's card into the computer, thereby making it possible to know the number of customers with card who use the store, as also their date of birth and sex. This information is utilized by the firm's marketing department; the store managers do not have day-to-day access to this data.

The cashiers are equipped with PoS terminals and optical scanning systems permitting efficient stock management while providing information as to which articles are best sellers at any time. The store sends this information to the central departments for processing at weekly intervals.

3.2 Personnel

As the following table shows, the number of staff has varied little since the store was first opened in 1985.

Year	No. of employees
1985	25
1986	25
1987	25
1988	25
1989	25
1990	25
1991	25
1992	27

Employees break down into the following job categories:

Job category	No. of employees	%
Store managers	2	7
Sales assistant/receptionists	3	11
Cashiers	6	22
Sales assistants	18	67
Total	27	100

As the table shows, most of the employees at the store (67%) fall into the category of sales assistant, which is not surprising since these are the people who actually serve customers.

The breakdown of employees by age group reveals a situation similar to that in most retail outlets. In other words the overall workforce is very young:

Age	No. of employees	%
Less than 21	-	-
21 - 25	10	37
26 - 30	10	37
31 - 35	2	7
36 - 40	1	4
Over 40	4	15
TOTAL	27	100

3.3 Working conditions

The store opens at 10 a.m. and closes at 11 p.m. and employees work one of two shifts. The first shift is from 10 a.m. to 7 p.m. and the second from 2 p.m. to 11 p.m. with a two-hour meal break. The first shift is made up of 11 employees including the store manager.

Employees have 22 working days holiday a year and one fixed free day a week. There is an exception to this three day ruling in the case of older employees coming from other stores not forming part of shopping centres, who continue to work normal hours as in their previous job, namely 10 a.m. to 7 p.m. during the week and 10 a.m. to 1 p.m. on Saturday.

The wages earned by most employees are low, being close to the minimum wage level, because they are starting out on their career, as laid down in the collective agreement.

Compared with other stores owned by the same firm, this store reveals a fairly satisfactory situation as regards employment contracts.

Established staff	%	Fixed-term contracts	%	TOTAL
18	67	9	33	27

However, although the number of fixed-term contracts is relatively small, the store still had a high rate of staff turnover in 1991, in the region of 75%. This is explainable by the somewhat unattractive working conditions, namely the low wage scales and the late finishing hours for the second shift. As we have already said, years of service with the firm tend to be on the low side: 63% of employees have been working for the firm for less than 5 years.

Years of service	No. of employees	%
Up to 2 years	6	22
3 - 5 years	11	41
6 - 8 years	6	22
9 - 11 years	2	7
more than 12 years	2	7
TOTAL	27	100

A majority of employees have had at least 9 years' education. This is, of course, an advantage for the store when it comes to extending the use of new technology and providing vocational training.

Years of education	No. of employees	%
4	2	7
6	3	11
9	14	52
10	6	22
11	2	7
TOTAL	27	100

3.4 Recruitment

Staff are recruited externally, either through personal contact or through advertisements in the store itself.

Selection of candidates is carried out at the store on the basis of interviews which are attended by the store managers and the firm's sales manager. There is no system of induction for new recruits, this being restricted to the explanations given about the job by the store manager or by colleagues.

3.5 Promotion

Promotion is made as laid down in the collective agreement. However, there is a twice-yearly job performance evaluation that is used throughout the firm.

3.6 Training policy

The firm's policy on training is as yet not highly systematized and in general is determined by the firm's central departments. However, it should be stressed that there is an obvious awareness on the part of store managers of the need to train employees, with

the emphasis on better training in servicing customers and fashion trends.

When it comes to selecting employees to attend courses, it is the store managers who nominate the people concerned, the main criterion being years of service.

Also worth mentioning is the fact that the store managers are involved in planning the firm's training courses, although there has not been any in-depth analysis of needs and specific techniques.

3.6 Development of vocational training within the store

Although vocational training is still in its infancy within the firm there is a positive approach and a conviction, both on the part of store managers and on that of the employees themselves, that this could improve employee skills. This is largely because of the specific needs of this particular store and to the kind of customers using it, which make demands either of a purely technical nature or as regards service or knowledge of fashion.

3.7 Role of the social partners

The store is not unionized, nor is there any involvement of the social partners in defining training policy.

3.8 Training courses

In 1992 the firm organized three training courses. The number of hours involved and number of employees attending was as follows:

Courses	No. of hours	No. of employees attending
Fashion	7	7
Behaviour	7	7
Marketing	7	7
TOTAL	21	21

The rate of attendance among store employees was 84% in 1992, reflecting the importance of continuous vocational training for this store.

4. ASSESSEMENT

4.1 By the firm

Because of the recent reorganization of vocational training within the firm there is as yet no proper system for estimating results achieved. Only in the medium term, if the firm continues to invest in this area, will it be possible to ascertain the results which, although already making themselves felt principally at the level of customer service and the manager's ability to coordinate, cannot as yet be quantified. This situation is also felt by the managers of the store used as a case study, where there is a noticeable improvement in customer service, with employees showing greater confidence in their contacts with the public.

knowledge in certain areas such as serving customers, although they were not of the same opinion when it came to the marketing courses. This may be explained by the lack of direct connection between the knowledge being imparted and the nature of their day-to-day work, particularly as far as the sales assistants were concerned.

4.3 By the authors

As in many other Portuguese firms, vocational training has only been introduced very recently; the first systematic plan of training only came into force in 1991.

Despite this late date, the situation looks fairly favourable even allowing for certain shortcomings, since it allows the firm to become gradually more acquainted with vocational training, which until recently did not exist in most firms in Portugal.

However, it must be pointed out that there is a risk of all this effort being negated by factors influencing the development of vocational training though not directly connected with it, such as the level of wages, working hours, etc. Even so, the situation in this firm reveals marked differences when compared with other firms in the sector, particularly as regards its practice of giving greater job security.

Apart from the point raised above, it is felt that once the initial phase has passed, the firm should go deeper into aspects preceding and following on from the training process, namely an in-depth analysis of training needs and an evaluation of training performance and impact – both in terms of the knowledge acquired by the end of the course and of the evaluation of the job requirements so as to be able to measure the extent of knowledge transfer at the workplace.

5. TRANSFERABILITY

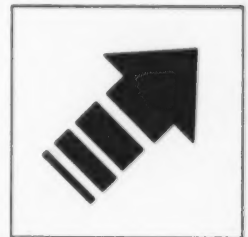
The firm is in a similar situation to that of most Portuguese firms and its experience may be transferred to other firms in the retail sector.

6. PERSONS INTERVIEWED BY JOB CATEGORY

- Personnel manager
- Vocational training manager
- Store manager
- Sales assistant
- Cashier.

PART 3:

CONCLUSIONS



- 1. Planning and design of vocational training**
- 2. Personnel involved in vocational training**
- 3. Content, methods and organization**
- 4. Cost, financing and evolution**
- 5. Concluding remarks**

At various times in the course of the study we have referred to the fact that vocational training in the retail sector is still at its infancy, whether at the level of schooling or at the extra-curricular level. This fact explains the lack of organized planning of training in the retail sector despite the many people and firms who are now organizing more or less fragmentary training courses on a cooperative basis or subsidized by the European Social Fund, hence within the framework of a policy heavily supported by the government and the Community. It also explains the embryonic stage of continuous training in retail firms.

This general situation created a number of problems when it came to selecting typical cases of continuous vocational training⁽²⁴⁾ outside the food sector and particularly the supermarket/hypermarket sector.

The choice of firms finally selected for case study were two firms belonging to the supermarket/hypermarket group (A + C), one firm in the stationery/cigarette shop segment (B) and one firm which manufactures and retails clothing (D). Two of these firms are entirely Portuguese-owned, and the other two mainly foreign-owned (C + D). All four firms have stores in various parts of the country and have been working on plans for expansion as part of the tendency to modernize which we have underscored as typical of this sector: large sales floors, specialization, locating stores in shopping centres, and computerization.

The policy regarding the selection and recruitment of personnel generally speaking favours young female workers – who are more easily available on the labour market – and uses fixed-term contracts. Consequently, all these firms with the exception of D show high rates of staff turnover and relatively low average wages for the workforce as a whole.

Although these results cannot be extrapolated for the whole of this sector, the case studies made give a fairly good idea of those Portuguese firms which provide professional training and of the situation in the retail sector as regards the two main lines of vocational training, as well as certain processes, trends and problems involved.

1. PLANNING AND DESIGN OF VOCATIONAL TRAINING

If we understand planning as a process which links a preparatory phase⁽²⁵⁾ with an implementing phase⁽²⁶⁾ and a third evaluation phase⁽²⁷⁾, we must conclude that the planning of vocational training in the retail trade is still very incomplete.

As we pointed out in our analysis of the sector as a whole, it has been the financial assistance provided by the state and the European Community which has lent impetus to the development of vocational training in this sector. As decided by the government in consultation with the social partners within the CPCS, this assistance has generally been linked to the provision of training courses, disregarding the process which should take place beforehand, namely the diagnosis of training needs, and afterwards – the assessment of courses and formulation of the firm's own policy for vocational training.

This fact, together with the absence of any tradition of vocational training, explains the frequent absence of a previous study of any depth of training

needs and, consequently, of clearly stated policies on vocational training at sectoral and company level. Much of the vocational training carried out has been the subject of very limited planning concerned with obtaining state and/or Community assistance and with other practical aspects of its implementation. Moreover, the policy of public sector subsidies has resulted in certain vocational training schemes being developed at the expense of others. With the exception of Case Study C, which has been a pioneer in vocational training in the retail sector in Portugal, planning in the case studies has been restricted to diagnosing professional training needs (but insufficiently related to working methods and organizational problems) and the realization of vocational training programmes. However, there is no real link between the company's strategies and objectives and the strategies and objectives of its vocational training. Yet this would seem an essential requirement if the firm is to achieve its strategies and objectives as defined: technical modernization, expansion and an improved performance.

Case Study A revealed a certain preoccupation with the need to take advantage of a degree of *savoir faire*⁽²⁸⁾ and individual aspirations⁽²⁹⁾.

Employee qualification and attaching prime importance to know-how is, moreover, seen as a means of motivating employees and enabling them to carry out their job. The absence of systematic planning of vocational training already referred to or, to put it differently, the dissociation of vocational training policy, working conditions and aspects of work organization – a situation frequently found in Portuguese firms – affects certain objectives set, particularly employee motivation.

Turning to the design of vocational training programmes, there are already in the retail sector a number of standard programmes for the various job categories which firms adapt in the light of their specific needs. Some of these programmes, particularly those aimed at the more important job categories (sales assistants and operators, for example) have been arrived at by adapting programmes carried out as a form of sandwich training or in some form of cooperation.

These programmes, which have been designed by specialists, have been approved by the Ministries of Education and Employment and by the unions.

Certain more specialized programmes, particularly those concerned with the internationalization of the

⁽²⁴⁾ A concept whose application in the Portuguese retail sector is very relative

⁽²⁵⁾ This is the phase for identifying shortcomings in qualifications and training by a process which links an analysis of the characteristics of the workforce, the objectives and strategies of training as a function of the objectives and strategies of the firm, and the working methods and the organizational model to be given preference.

⁽²⁶⁾ Phase of development of vocational training proper.

⁽²⁷⁾ Evaluation of vocational training courses in terms of the objectives set.

⁽²⁸⁾ Importance of "why we do things" rather than always "how to do things"

⁽²⁹⁾ This permits specialization in certain specific areas such as computerization when people so wish.

wholesale and retail trades, were the result of adapting programmes designed by foreign experts to specific national and sectoral needs. It may happen – whether as a result of this process or because of the multinationals' practice of occasionally seconding senior and middle management to their head offices for training purposes – to speak of a certain tendency to internationalize the design and implementation of vocational training programmes.

In the firms studied design of programmes and the carrying out of vocational training were in Case Study A the responsibility of the training department in cooperation with the personnel department, and in Case Study B the responsibility of a private firm of consultants working in conjunction with a vocational training unit and the firm's personnel department. In Case Study C it was the responsibility of the training department in conjunction with the managers of other departments and in Case Study D it was the responsibility of the training department in cooperation with a manager of the personnel department and heads of stores. In two of the firms studied the training department is separate from the personnel department.

The employees themselves or any representatives, whether unions or staff committee, were absent from the whole process of decision-making, design, planning and organization of vocational training – a situation quite common in Portuguese society. Furthermore, the firms studied were not unionized and had no staff committees.

This situation confirms the remarks concerning the weakness of social dialogue in Portugal, particularly in companies financed by private capital and outside the traditional fora for collective agreement.

2. PERSONNEL COVERED BY VOCATIONAL TRAINING

Although the vocational training described in our case studies did not cover all employees, it did cover a range of different job situations (established employees and new and potential recruits) and occupational categories: senior management, supervisors, store managers and sales assistants in Case Study A; manager, heads of department, heads of section and store managers, clerical staff and warehouse managers in Case Study B; store managers, assistant managers and sales/warehouse assistants and computer operators in Case Study C; and supervisors, store managers and sales assistants in Case Study D. Particularly significant is the fact that the greater part of vocational training efforts are directed to the major job categories represented in the firms concerned, namely sales assistants⁽³⁰⁾ and supermarket assistants⁽³¹⁾, and/or those who show the greatest need for training – hence store managers⁽³¹⁾ and supervisors⁽³¹⁾, given their generally low level of formal education and the type of job they perform: coordination and liaison between head office and the store.

The case studies also showed the substantial proportion of female employees and of young people taking part in training courses due, as we have seen, to the high proportion of both these categories in the workforce as a whole. This statement is true of most firms in the retail sector who organize voca-

tional training, and is due to the policy of public-sector assistance, which for some time gave priority to younger people. It is, on the other hand, also linked to the more favourable attitude to vocational training of young people and management. As could be deduced from Case Study A, store managers and supervisors often approach training courses with a degree of reserve.

The case studies shed little light on the training given to part-time workers because they represent so small a share of the workforce.

However, the general tendency is to exclude part-timers from vocational training courses organized by their firms.

3. COURSE CONTENT, METHODS AND ORGANIZATION

Generally speaking, the content of training courses was structured on a modular basis with modules of varying duration⁽³²⁾ so as to permit progressive, continuing training.

They combine a theoretical component – provided in the case of in-house training courses in the firm's own training rooms – and a practical component under the supervision of the store manager or trainer in normal work situations.

Of course, the content and the teaching methods used vary according to the occupational group undergoing training and the type of activity involved. Subjects such as hygiene, work safety, customer service, display, sales and marketing, tend to be common to training courses given to sales assistants in smaller retail shops and supermarkets. Organizational subjects such as marketing and merchandising, normally combine the contents of training programmes for store managers, senior managers and supervisors. Generally speaking, the allowance for vocational training in the computer field is limited though the tendency is to increase this.

In some case studies the planning of course content reveals a degree of compromise between general training of a psycho-sociological nature – subjects connected with leadership, personal motivation and interpersonal relations – and mathematics with a more specific vocational focus.

Teaching aids, for example in the case of Firm B, included video-tape recordings of situations of tension simulating actual work situations.

At the organizational level the tendency revealed by the case studies was to give preference to in-house vocational training when the number of potential trainees was large and to use external training when the number was not great enough to justify in-house courses.

In the firms studied vocational training courses were held in normal working hours and trainees were moved to the training locations. The occupational group creating most problems as regards frequency of vocational training was that of store managers and their equivalents, whether due to the

⁽³⁰⁾ In Case Study B 72% of the people in this category received vocational training.

⁽³¹⁾ In Case Study A these people had been covered by various training courses over the last four years.

⁽³²⁾ This was greater in the case of the less skilled occupational groups.

high cost of moving them to the training location or because this was an occupational group difficult to replace and who did not favour vocational training. The vocational training models found in the case studies were naturally the result of forces working within the firms themselves as a result of their specific needs – size, type of job, activities involved, etc. Transferability here, therefore, presupposes identical employment conditions and training needs. The vocational training model of Case Study A, for example, which would be suitable for firms of a reasonable size in the supermarket sector, would be rather unsuitable for small firms because, among other things, of the lack of uniformity of job requirements. The vocational training model of Case Study B would also seem appropriate to firms of medium size, as engaging a firm of consultants to design and plan vocational training could prove a useful solution for firms without their own specialist staff capable of doing this.

Considering the various links between the state system of education and the continuous vocational training system, we note the similarity of certain vocational training courses of a general and specific nature.

The role played by employees and their representatives in the designing of vocational training in the retail sector is becoming increasingly important at the level of overall decision-making for the vocational training system, whether because of their involvement in state bodies or, especially, because of their important role in the implementation of vocational training courses. At company level, as we have made clear, any involvement of unions or staff committees in vocational training is almost non-existent.

4. COST, FINANCING AND DEVELOPMENT

As already stated, the vocational training carried out in the sector at large and in the firms studied in detail are, with the exception of Case Study C, largely the result of state and Community incentives in the form of substantial financial assistance. There is no contribution payable by firms for vocational training. However, indirectly both employers and employees contribute to the costs in the sense that money paid out by the state for vocational training derives from the social welfare contributions paid by employers (24.5%) and employees (11%).

One of the consequences of vocational training being developed so late is in fact the failure to calculate the cost, benefits and impact of vocational training. Even in the firms studied, the assessments made were somewhat empirical and at times restricted to the way in which a training course was carried out or the extent to which productivity increased.

The problem of evaluating and establishing the credentials of vocational training is a topical question still being discussed, not only in the retail sector but more generally. The agreements reached between the various parties to the discussion will obviously determine the way in which continual vocational training progresses. However, it seems safe to say that once various problems regarded as having priority have been solved – notably the creation of initial vocational training for the sector within the educational system and in the form of sandwich

courses – the main concern will be to train people at middle-management level, direct managers and small entrepreneurs as the groups of most significance for modernization in this sector.

If, on the other hand, we bear in mind the general trends in vocational activities and structures⁽³³⁾ and the prospects for employment shown up by the sectoral analysis⁽³⁴⁾, we may assume that continuous vocational training will, in future, be pursued more intensively in the area of data processing and at the level of organization and management.

5. FINAL REMARKS

The case studies confirm that interest in vocational training on the part of retail firms is of fairly recent date. This interest has derived from a combination of factors connected either with store modernization (new selling concepts and equipment) or with the appearance of new products and increasing competition (particularly as a result of the opening up of the Portuguese economic zone to foreign capital following Portugal's membership of the EEC), or because of the improved standard of living of the population and cultural changes in the sense of a greater propensity to spend on the part of consumers. Thanks to the stimulus of financial assistance provided by the government and the Community, this interest has gone hand in hand with the emergence of new management practices in which employee training is a necessary condition for motivation, improvement in working conditions (including wages) and the pursuance of strategies directed to modernization and greater competitiveness.

How this basic attitude can be expanded into a more general interest in vocational training on the part both of firms (as we have mentioned, small firms particularly have so far been little involved in vocational training efforts) and of employees, is a question of central importance for the development of vocational training and the improvement of working conditions in this sector.

Intensifying efforts to stimulate awareness of the subject among employers and employees by certain bodies, and particularly the social partners, is of particular importance here. However, in our view it is not sufficient simply to create possibilities for accessing funds to finance vocational training that are more favourable to smaller firms. It is even more important to do so for firms who encourage a social dialogue on the subject.

As our case studies have shown, employees and/or their representative bodies, have not been involved in any way in defining vocational training policy or the training programmes and their content. Positive changes reflecting in a greater involvement of the social partners at macro-social level have not yet become visible at individual firm level.

⁽³³⁾ A strengthening of technical and specialist services, reduction of manual and repetitive tasks and a deepening of commercial operations, among other things.

⁽³⁴⁾ Increased number of jobs in the following areas: computer specialists, salesmen in shopping centres and other stores with a large sales floor and specialists for highly complex systems for providing information on customers and personnel.

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ABBREVIATIONS

CCP - Confederação do Comércio Português
CPCS - Conselho Permanente de Concertação Social
UGT - União Geral dos Trabalhadores
CGTP-IN - Confederação Geral dos Trabalhadores Portugueses - Intersindical Nacional
CAP - Confederação da Agricultura Portuguesa
CIP - Confederação da Indústria Portuguesa
CCTV - Contrato Colectivo de Trabalho Vertical
CNP - Classificação Nacional de Profissões
IEFP - Instituto de Emprego e Formação Profissional

ORGANIZATIONAL CATEGORIES OF PERSONS CONTACTED (Case Studies)

- Heads of personnel depts.
- Heads of training dept.
- General store managers
- Store managers
- Head cashiers
- Sales assistants

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- 24 October 1991
Venue: Instituto do Emprego e Formadao Profissional
Attended by: National Coordinator for FORCE Social Partners
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- 8 November 1991
Venue: Instituto do Emprego e Formadao Profissional
Attended by: National Coordinator for FORCE Social Partners
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- 17 June 1992
Venue: Instituto do Emprego e Formadao Profissional
Attended by: National Coordinator for FORCE International Coordinator (CIREM)
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In addition to those meetings, a number of contacts were made with organizations involved in the Project.

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CEDEFOP — European Centre for the Development of Vocational Training
Training in the retail trade in Portugal

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